LOW KENG HUAT
(SINGAPORE) LIMITED

PROGRESSING STEADILY

ANNUAL REPORT 2018/2019

Uptown @ Farrer

CORPORATE PROFILE

Low Keng Huat (Singapore) Limited ("LKHS") is a builder established since 1969. Today, its business has grown to encompass property development, hotels and investments. In addition, LKHS owns and operates deluxe hotel in Perth (Australia) under the in-house brand Duxton Hotel. Its other hospitality related business is food and beverage business under our brand name of Carnivore in Singapore. Among its investment portfolio are investment properties in Singapore, Malaysia and China.

CONTENTS

Westgate Tower

2018 REVIEW

The Singapore economy grew by 3.2% in 2018 and is forecasted to grow by 2.5% in 2019. Prices of new private residential properties increased by 1.1% and 7.9% in 2017 and 2018 respectively. However, it decreased by 0.6% in Q1 2019 compared with 0.5% increase in Q4 2018. Retail rents decreased at a slower pace of 1.0% in 2018 compared with the decrease of 4.7% in 2017 as retail scene shows signs of recovery. Retail rental decreased by 0.2% in Q1 2019 compared to 1.2% increase in Q4 2018.

REVIEW OF FINANCIAL PERFORMANCE

For the financial year ended 31 January 2019, the group net profit attributable to shareholders was $15.4M, a decrease of $2.4M as compared with $17.8M in the previous financial year. The decrease was mainly due to the lower profits from development and investment segments.

Group shareholders' funds decreased by $8.9M to $655.2M as at 31 January 2019 from $664.1M as at 31 January 2018. The decrease was due to lower profits and decrease in fair value reserve due to decrease in fair value of long term equity investment. The net tangible asset per ordinary share of the Group was $0.89 as at 31 January 2019 compared to $0.90 as at 31 January 2018. Cash and cash equivalents and fixed deposits decreased by $14.1M to $125.3M as at 31 January 2019 from $139.4M as at 31 January 2018. Bank borrowings increased by $74.1M to $447.2M as at 31 January 2019 from $373.1M as at 31 January 2018. The decrease in cash and cash equivalents and fixed deposits and the increase in bank borrowings were due to funding of development projects at 67 Cairnhill Road ("67 Cairnhill"), Uptown @ Farrer at Perumal Road and Citadines Balestier. Gearing was 0.49 as at 31 January 2019 compared to 0.35 as at 31 January 2018.

CHAIRMAN'S STATEMENT

Citadines Balestier

DEVELOPMENT

Development revenue increased by $102.9M to $135.0M in current year from $32.1M in previous year. The increase was mainly due to sales from Kismis in current year. Kismis obtained Temporary Occupational Permit ("TOP") in May 2018 and was fully sold in June 2018.

Net profit before tax and non-controlling interests for development segment increased by $2.1M to $10.6M in current year from $8.5M in previous year. The higher net profit before tax and non-controlling interest in current year was mainly due to sales at Kismis Residences and sale of office in Shanghai.

LKHS Property Investment Pte Ltd, a wholly owned subsidiary of the Company, invested 40% equity in Dalvey Breeze Development Pte Ltd ("DBDPL") which acquired freehold Villa D'Este ("Dalvey") on an enbloc basis. KOP Limited holds 60% of DBDPL. The purchase consideration was $93.0M with a gross floor area of approximately 55,000 square feet. DBDPL intends to redevelop the property into a high-end condominium. The acquisition was completed on 7 January 2019. Dalvey is expected to obtain TOP by Q2 FY2024.

Glopeak Development Pte. Ltd. ("Glopeak"), wholly owned subsidiary of the Company entered into a Sale & Purchase Agreement ("SPA") on 7 June 2018 to purchase 67 Cairnhill, which sits on freehold land with land area of approximately 19,800 square feet and a plot ratio of 2.8. The acquisition of 67 Cairnhill was completed on 30 August 2018. Glopeak also entered into a SPA with owners of 69 Cairnhill Road ("69 Cairnhill") for the enbloc acquisition of 69 Cairnhill. The acquisition is scheduled to complete on 23 May 2019 as all relevant government approvals including Sale Order from High Court had been obtained. Subject to the successful completion of 69 Cairnhill,

Paya Lebar Square

the Group intends to amalgamate 67 Cairnhill with 69 Cairnhill and redevelop the combined site into a high-rise residential condominium with condominium facilities that is expected to yield approximately 150 residential units.

Uptown @ Farrer, a residential development at Perumal Road is targeted to launch for sales in Q3 FY2020. It is part of a mixed development consisting of 116 residential units with facilities, 7 retail units and 240 units of serviced apartments. Ascott will be operating the serviced apartments callled Lyf @ Farrer.

INVESTMENT

Investment revenue increased by $0.1M to $17.5M in current year from $17.4M in previous year. Net profit before tax and non-controlling interests for investment segment decreased by $3.8M to $9.2M in current year from $13.0M in previous year. The decrease was mainly due to lower write back of accrual of construction project cost and absence of gain on disposals of quoted investment in current year. Upon adoption of SFRS(1) 9, gain on disposal of long term equity investment of $1.9M in current year was not recognised in profit and loss but was reclassified to retained earnings in balance sheet.


Uptown @ Farrer


Uptown @ Farrer


Uptown @ Farrer

HOTEL AND F&B

Revenue from hotel segment decreased by $4.5M to $18.8M in current year from $23.3M in previous year. The decrease was mainly due to lower room rates and lower occupancy in Duxton Hotel Perth and closure of F&B outlets. Net profit before tax and non-controlling interests for hotel segment increased by $0.3M to $1.7M in current year from $1.4M in previous year. The lower profit was due to lower revenue from both hotel and F&B operations.

Citadines Balestier, a 166-unit serviced apartment to be operated by the Ascott group, is expected to obtain TOP in June 2019 and be operational by December 2019. Lyf @ Farrer, a 240-unit serviced apartment also to be operated by the Ascott group, is expected to obtain TOP by Q4 FY2022 and be operational by Q1 FY2023.

DIVIDEND

The Board is pleased to recommend a first and final dividend of 1.5 cents per share. The dividend is tax exempt (one-tier) and total dividend payment will amount to $11.1M. The proposed dividend represents 71.4% of our earnings per share of 2.1 cents. This dividend recommendation is subject to the approval of shareholders at the Annual General Meeting ("AGM") to be held on 29 May 2019. The proposed dividend, if approved by shareholders will be paid on 20 June 2019.

Duxton Hotel Perth

CHANGES IN BOARD DIRECTORS

As part of succession planning and board renewal, three new independent board directors were appointed during the year. I would like to welcome Mr Chris Chia Woon Liat, Mr Cheo Chai Hong and Mr Michael Leong Choon Fai to the Board. All three independent directors bring with them extensive experience in corporate and financial advisory, property development and management as well as business enterprise and risk function which would complement and strengthen the core competencies of the Board.

Mr Wey Kim Long retired in September 2018 while Mr Lee Han Yang and Mr Lucas Liew Kim Voon have also indicated that they would not be offering themselves for re-appointment at the forthcoming AGM. On behalf of the Board, I would also like to sincerely thank and acknowledge the years of dedicated service and invaluable contributions from Mr Lee Han Yang, Mr Lucas Liew Kim Voon and Mr Wey Kim Long during their tenure on the Board.

It is with a heavy heart and deep sorrow that we announced the passing of our Non-Executive Chairman, Tan Sri Dato' Low Keng Huat in February 2019. Tan Sri Dato' Low Keng Huat was one of the founders of the Company and he had steered the Company through 50 years of growth from contractor business to a diversified property group of companies with net worth exceeding $650.0M. On behalf of the Board I would like to extend my sincere thanks to our Managing Director, Dato' Marco Low Peng Kiat and family for Tan Sri Dato'

CHAIRMAN'S STATEMENT


Duxton Hotel Perth

Low Keng Huat's stewardship and leadership that made the Company to what it is today. I will do my very best to emulate his great leadership with my new appointment as Executive Chairman.

OUTLOOK

Going forward, the Group will focus on driving growth in our property development and recurring income segments, enhancement of asset portfolio performance and enterprise transformation. We will continue to be selective and strategic in our business acquisitions and remain disciplined in capital management.

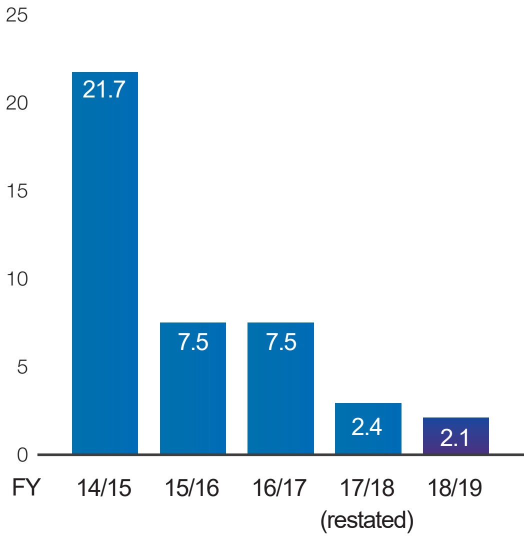
APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our stakeholders, including our shareholders, customers and business associates, for their continued support of the Group and to the management and staff of the Group for their hard work, dedication and commitment in the past year.

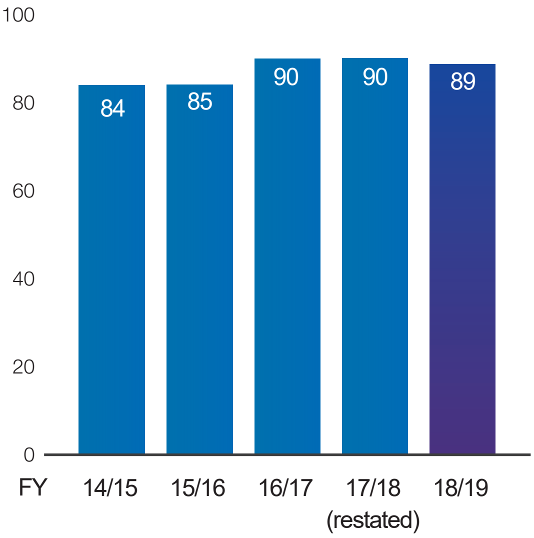
LOW KENG BOON @ LAU BOON SEN
Executive Chairman
April 2019

5 YEARS FINANCIAL HIGHLIGHTS

EARNINGS PER SHARE
(cents)



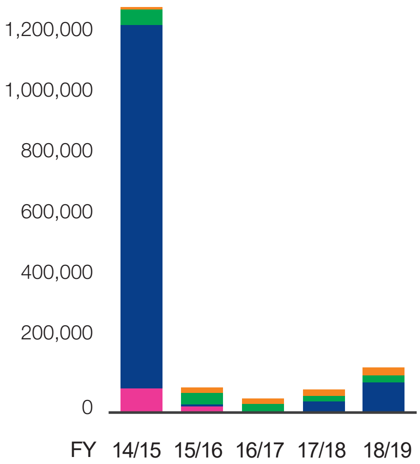
NET TANGIBLE ASSETS PER SHARE
(cents)



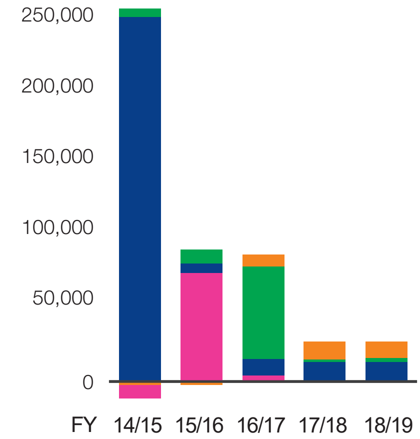
FINANCIAL YEAR	2014/15	2015/16	2016/17	2017/18 (restated)	2018/19
OPERATING RESULTS					
Revenue ($'000)	1,258,928	86,624	47,044	72,669	171,396
EBITDA ($'000)	247,277	84,326	79,597	35,016	33,976
Pretax profit ($'000)	236,674	70,225	67,824	22,905	21,511
Net Profit ($'000)	189,426	57,829	63,719	18,958	18,746
EBITDA margin (%)	19.6	97.3	169.2	48.2	19.8
Pretax margin (%)	18.8	81.1	144.2	31.5	12.6
Net margin (%)	15.0	66.8	135.5	26.1	10.9
FINANCIAL POSITION					
Total assets ($'000)	1,275,550	1,150,350	1,151,106	1,156,958	1,213,119
Total borrowings ($'000)	342,024	341,075	360,284	373,084	447,197
Shareholders' equity ($'000)	619,940	627,558	666,895	664,082	655,216
Net debt : equity (times)	0.11	0.19	0.14	0.35	0.49
PER SHARE DATA					
Earnings (cents)	21.7	7.5	7.5	2.4	2.1
Dividends (cents)	5.0	4.0	4.0	2.0	1.5
Net tangible assets (cents)	84.0	85.0	90.0	90.0	89.0
Year end share price (cents)	74.0	62.5	58.0	69.5	57.5
SHAREHOLDERS' RETURN					
Return on equity (%)	30.6	9.2	9.6	2.9	2.9
Return on asset (%)	14.9	5.0	5.5	1.6	1.5
Dividend yield (%)	6.8	6.4	6.9	2.9	2.6
Dividend payout ratio (%)	23.0	53.3	53.3	83.3	71.4

5 YEARS FINANCIAL HIGHLIGHTS

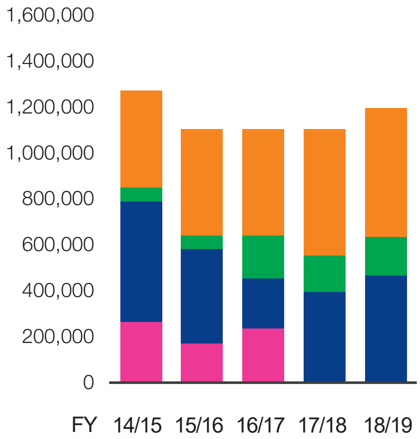
REVENUE
$'000



PROFIT BEFORE TAX
$'000



TOTAL ASSETS
$'000



Construction Development Hotels Investments

FINANCIAL YEAR	2014/15 $'000	2015/16 $'000	2016/17 $'000	2017/18 (restated) $'000	2018/19 $'000
REVENUE					
Construction	85,207	19,669	575	-	-
Development	1,128,163	8,201	1,800	32,100	135,030
Hotels	43,392	39,069	27,334	23,282	18,817
Investments	2,166	19,685	17,335	17,287	17,549
Total	**1,258,928**	**86,624**	**47,044**	**72,669**	**171,396**
PROFIT BEFORE TAX					
Construction	(10,257)	59,991	2,426	-	-
Development	243,944	4,669	8,106	8,510	10,592
Hotels	4,753	7,114	51,120	1,361	1,705
Investments	(1,766)	(1,549)	6,172	13,034	9,214
Total	**236,674**	**70,225**	**67,824**	**22,905**	**21,511**
TOTAL ASSETS *					
Construction	263,413	177,338	243,698	-	-
Development	527,156	427,410	233,354	378,653	454,712
Hotels	59,543	61,943	142,205	148,287	166,363
Investments	424,676	482,878	531,346	629,616	591,674
Total	**1,274,788**	**1,149,569**	**1,150,603**	**1,156,556**	**1,212,749**

** Excluding deferred tax asset*
 # With effect from Q1FY2018, construction business is included in investment segment as the construction division provides construction service for internal property development and investment project.

OVERALL

The Group's three business segments are property development, investment and hotel. The Group achieved net profit attributable to shareholders of $15.4M in current year compared to $17.8M in previous year. The decrease was mainly due to lower profit from development and investment segments.

Revenue increased by $98.7M to $171.4M in current year from $72.7M in previous year. The increase was mainly due to increased sales in development segment offset by decreased revenue in hotel segment. The increased sales in development segment was due to Kismis Residences & Tranquilia @ Kismis ("Kismis") being fully sold during current year. Lower revenue at Duxton Hotel Perth was due to lower room and occupancy rates. Lower revenue from food and beverage business was due to closure of outlets.

Cost of sales increased by $95.4M to $138.3M in current year from $42.9M in previous year. The increase in cost of sales was mainly due to increased sales in development segment.

Other income decreased by $8.7M to $12.5M in current year from $21.2M in previous year. The decrease was mainly due to lower interest income, absence of write back of impairment and absence of gain on disposals of quoted investment in current year. Other income also included exchange gain and gain on sale of office unit in Shanghai. Upon adoption of SFRS(I) 9, gain on disposal of long term equity investment of $1.9M in current year was not recognised in profit and loss but was reclassified to retained earnings in balance sheet.

OPERATING & FINANCIAL REVIEW

Uptown @ Farrer

Distribution costs increased by $4.4M to $6.9M in current year from $2.5M in previous year. The increase was mainly due to sales commission at Kismis and showflat expense at Uptown @ Farrer at Perumal Road in current year. Kismis obtained TOP in May 2018 and was 100% sold as at June 2018. The development at Perumal Road is a mixed development consisting of Uptown @ Farrer, a 116-unit residential condominium, Lyf @ Farrer, a 240-unit serviced apartment block and 7 retail units. Sales launch at Uptown @ Farrer is targeted in Q3 FY2020. Lyf @ Farrer will be operated by The Ascott group.

Administrative costs increased by $1.6M to $9.1M in current year from $7.5M in previous year. The increase was mainly due to higher staff related expense and legal cost for sale of office in Shanghai.

Other operating expenses decreased by $5.9M to $2.4M in current year from $8.3M in previous year. The decrease was mainly due to unrealised exchange loss and impairment loss on long term equity investment in previous year. Upon adoption of SFRS(I) 9, fair value reserves in equity for disposal of long term equity investments is now reclassified to retained earnings instead of profit and loss. Any changes in fair value is still recognised in equity.

Uptown @ Farrer

Finance costs increased by $0.6M to $7.7M in current year from $7.1M in previous year.

Share of results of associate companies and joint ventures was a profit of $2.1M in current year compared to a loss of $2.8M in previous year. The profit was mainly due to write back of impairment loss on Westgate Tower as valuation improved in current year. The occupancy rate of AXA Tower and Westgate Tower are approximately 93.0% and 98.0% as at 22 March 2019.

Taxation decreased by $1.1M to $2.8M in current year from $3.9M in previous year. The decrease was mainly due to reversal of provision for current and deferred tax in investment segment offset by increase in tax provision in development segment.

OPERATING & FINANCIAL REVIEW

	DEVELOPMENT PROJECTS ON HAND	LOCATION	LKHS' SHARE (%)	TYPE	NO. OF UNITS	STATUS
1	Kismis Residences	Eng Kong Terrace	70	Freehold landed terraces Freehold strata landed terraces	31 7	Sales of Kismis launched in November 2017 Obtained TOP on 28 May 2018 100% sold in June 2018
2	Citadines Balestier	207 Balestier Road	100	Commercial retail units Serviced apartments	31 166	88% completed as at 31 January 2019 TOP expected by Q2 FY 2020 Target to commence operation in Q4 FY 2020
3	Bina Park	Bandar Seri Alam, Johor	49	3 Storey Twin/ Link Villas 3 Storey Shops	124 31	Launched in January 2012 100% sold 20 units sold 2 units held for own use 9 units unsold
4	Taman Rinting	Taman Rinting	49	Landed Terraces	89	Planning Stage
5	Uptown @ Farrer	Perumal Road	100	Condominium Commercial retail units	116 7	13% completed as at 31 January 2019 Target sales launch in Q3 FY 2020 TOP by Q4 FY2022
	Lyf @ Farrer	Perumal Road		Serviced apartments	240	Target to commence operations in Q1 FY2023 TOP by Q4 FY2022
6	Cairnhill	67, 69 Cairnhill Road	100%	Freehold condominium	Approximate 150	Planning Stage
7	Dalvey Haus	Dalvey Road	40%	Freehold Condominium	Approximate 30	Planning Stage

	LAND BANK	LOCATION	LKHS' SHARE (%)	AREA (SQF)	USE
8	Bina Park	Bandar Seri Alam, Johor	49	66,100	Hotel Land Planning Stage
9	Unnamed	Bandar Seri Alam, Johor	49	3,298,458	Proposed Bungalow Lots Planning Stage
10	Tiram Park	Jalan Kota Tinggi, Johor	49	6,622,184	Proposed Industrial Development Planning Stage
11	Unnamed	Bandar Seri Alam, Johor	49	616,461	Proposed Mixed Development

	KEY INVESTMENT PROPERTIES	LOCATION	LKHS' SHARE (%)	TYPE	NO. OF UNITS	STATUS
1	Paya Lebar Square	60 Paya Lebar Road	55	Retail mall	159	99% leased Obtained TOP on 3 November 2014
2	Westgate Tower	3 Gateway Drive	40	Office units	295	98% leased Obtained TOP on 9 October 2014
3	AXA Tower	8 Shenton Way	20	Office units	674,000 sq. feet	93% leased Acquisition completed on 24 April 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Low Keng Boon
@ Lau Boon Sen
(Executive Chairman)

Dato' Marco Low Peng Kiat
(Managing Director)

Low Poh Kuan
(Executive Director)

Lee Han Yang
(Independent,
Non-Executive Director)

Lucas Liew Kim Voon
(Independent,
Non-Executive Director)

Jimmy Yim Wing Kuen
(Lead Independent,
Non-Executive Director)

Chris Chia Woon Liat
(Independent,
Non-Executive Director)

Michael Leong Choon Fai
(Independent,
Non-Executive Director)

Cheo Chai Hong
(Independent,
Non-Executive Director)

AUDIT COMMITTEE

Jimmy Yim Wing Kuen
(Chairman)
Chris Chia Woon Liat
Cheo Chai Hong

NOMINATING COMMITTEE

Cheo Chai Hong
(Chairman)
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Low Keng Boon
@ Lau Boon Sen
Dato' Marco Low Peng Kiat

REMUNERATION COMMITTEE

Michael Leong Choon Fai
(Chairman)
Jimmy Yim Wing Kuen
Chris Chia Woon Liat
Dato' Marco Low Peng Kiat

COMPANY SECRETARY

Chin Yeok Yuen, FCPA

SOLICITORS

TSMP Law Corporation
6 Battery Road
Level 41
Singapore 049909

AUDITORS

External Auditor
Foo Kon Tan LLP
Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: Tei Tong Huat
(Year of appointment: Financial year ended 31 January 2017)

Internal Auditor
Noel Lee Sun Yen
Lee Sun Yen and Associates
Pte. Ltd.

BANKERS

United Overseas Bank Limited

DBS Bank Limited

Oversea-Chinese Banking Corporation Limited

Malayan Banking Berhad

The Bank of East Asia, Limited

Standard Chartered Bank

Bank of China Limited
(Singapore branch)

The Hongkong and Shanghai Banking Corporation Limited

CIMB Bank Berhad

SHARE REGISTRARS & SHARE TRANSFER OFFICE

KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

REGISTERED OFFICE

80 Marine Parade Road
#18-05/09 Parkway Parade
Singapore 449269
Tel : +65 6344 2333
Fax : +65 6345 7841
Website: www.lkhs.com.sg

LISTING

The Company's ordinary shares are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited.

BOARD OF DIRECTORS

MR LOW KENG BOON @ LAU BOON SEN

Executive Chairman

First appointed as director: 14 April 1969

Last appointed as director: 31 May 2016

Date of appointment as Chairman

25 March 2019

Length of service as a director
(as at 31 January 2019)

49 years 10 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Nominating Committee (Member)

Academic & Professional Qualification

- Chung Ling High School - Penang

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- Various subsidiaries of Low Keng Huat (Singapore) Limited

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

DATO' MARCO LOW PENG KIAT

Managing Director

First appointed as director: 7 November 2006

Last appointed as director: 22 May 2015

Length of service as a director
(as at 31 January 2019)

12 years 3 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Remuneration Committee (Member)
- Nominating Committee (Member)

Academic & Professional Qualification

- Bachelor of Science in Management & Systems from City University, England

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- Consistent Record Sdn Bhd
- Various subsidiaries of Low Keng Huat (Singapore) Limited

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

MR LOW POH KUAN

Executive Director

First appointed as director: 5 April 2004

Last appointed as director: 31 May 2018

Length of service as a director
(as at 31 January 2019)

14 years 10 months

Low Keng Huat (Singapore) Limited Board Committee Membership

Nil

Academic & Professional Qualification

- Bachelor of Science in Marketing and Economics from the University of Indiana, Bloomington, USA

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- Various subsidiaries of Low Keng Huat (Singapore) Limited

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

MR LEE HAN YANG

Non-Executive Independent Director

First appointed as director: 28 January 1992

Last appointed as director: 31 May 2017

Length of service as a director
(as at 31 January 2019)

27 years

Low Keng Huat (Singapore) Limited Board Committee Membership

Nil

Academic & Professional Qualification

- Bachelor of Arts degree from University of Singapore
- Barrister-at-Law of Lincoln's Inn, London
- Advocate & Solicitor, Supreme Court of Singapore

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

   Nil

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

BOARD OF DIRECTORS

MR LUCAS LIEW KIM VOON

Non-Executive Independent Director

First appointed as director: 28 January 1992

Last appointed as director: 31 May 2018

Length of service as a director
(as at 31 January 2019)

27 years

Low Keng Huat (Singapore) Limited Board Committee Membership

Nil

Academic & Professional Qualification

- Bachelor of Commerce (Accountancy) degree from the University of New South Wales, Australia

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

   Nil

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

MR JIMMY YIM WING KUEN

Non-Executive Lead Independent Director

First appointed as director: 1 March 2009

Last appointed as director: 31 May 2016

Length of service as a director
(as at 31 January 2019)

9 years 11 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Lead Independent Director
- Audit Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Academic & Professional Qualification

- LL.B. (Hons), National University of Singapore
- LL.M., National University of Singapore
- Advocate & Solicitor, Singapore
- Solicitor, England & Wales
- Senior Counsel
- Regional Arbitrator at the Singapore International Arbitration Centre

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

- Singapore Medical Group Limited

2. Others (Non-Listed Company)

- Drew & Napier LLC (Chairman)

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

- ARA-CWT Trust Management (CACHE) Limited
- CWT Limited
- Celestial Life Limited

MR CHRIS CHIA WOON LIAT

Non-Executive Independent Director

First appointed as director: 12 September 2018

Last appointed as director: NA

Length of service as a director
(as at 31 January 2019)

5 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification

- Bachelor of Commerce from University of Western Australia (Major in Accounting and Finance)
- Bachelor of Commerce (Honours) from University of Western Australia (Major in Accounting)
- Master of Accounting from University of Western Australia
- Master of Business Administration from MIT Sloan School of Management
- Master of Liberal Arts from Harvard University

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- Bangkok Bank Berhad
- Kendall Court Capital Partners Limited
- Kendall Court Capital Partners Bristol Limited
- Kendall Court Capital Management Limited
- Kendall Court (Singapore) Pte Ltd
- Kendall Court Cambridge Investment Manager Limited

Major Appointment (other than Directorship)

- Druk Holding & Investments Limited (Advisor)
- Wah Hin & Co (Member of the Investment and Private Equity Investment Committee)

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

Nil

BOARD OF DIRECTORS

MR MICHAEL LEONG CHOON FAI

Non-Executive Independent Director

First appointed as director: 7 December 2018

Last appointed as director: NA

Length of service as a director
(as at 31 January 2019)

2 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Remuneration Committee (Chairman)

Academic & Professional Qualification

- GCERT Property, University of Newcastle, Australia

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- Jurong Point Realty Limited
- Mount Faber Leisure Group Pte Ltd

Major Appointment (other than Directorship)

Nil

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

- Keppel Land Retail Management Pte Ltd
- Keppel Land Retail Consultancy Pte Ltd
- Keppel Land Mall Management (Shanghai) Pte Ltd
- Keppel Land Mall Management Vietnam Company Limited
- Guthrie GTS Pte Ltd
- Guthrie SK Land Pte Ltd
- Jurong Point Land Realty Pte Ltd
- Jurong Point Real Estate Pte Ltd
- Jurong Point Venture Pte Ltd

MR CHEO CHAI HONG

Non-Executive Independent Director

First appointed as director: 7 December 2018

Last appointed as director: NA

Length of service as a director
(as at 31 January 2019)

2 months

Low Keng Huat (Singapore) Limited Board Committee Membership

- Nominating Committee (Chairman)
- Audit Committee (Member)

Academic & Professional Qualification

- Bachelor of Business Administration (Hons) degree from University of Singapore

Present Directorship other than Low Keng Huat (Singapore) Limited *(as at 31 January 2019)*

1. Listed Company

   Nil

2. Others (Non-Listed Company)

- The Anglo-Chinese Schools Foundation Ltd

Major Appointment (other than Directorship)

- ACS Old Boys Association (Member)
- The Anglo-Chinese School (International) Singapore (Board of Management)

Past Directorship other than Low Keng Huat (Singapore) Limited over the preceding three years
(from 1 February 2016 to 31 January 2019)

- UOB Asset Management
- UOB International Investment Pte Ltd
- United Overseas Bank (Thai) Public Company Ltd
- The Anglo-Chinese Schools Foundation Ltd

LEE YOON MOI

Chief Operating Officer

Mr Lee Yoon Moi is responsible for all construction and development activities undertaken by the Group. He is also appointed as the Management Representative overseeing the development, implementation and maintenance of the Company's ISO Quality Assurance Programme. Prior to joining LKHS in 1990, Mr Lee was the General Manager of Construction Technology Pte Ltd (Contech), a wholly government owned construction company set up to spearhead modernisation and mechanisation in the construction industry. Mr Lee has a Bachelor of Civil Engineering degree (First Class Honours) from the then University of Singapore and a Masters of Engineering degree from McGill University, Montreal, Canada. He is also a member of the Institution of Civil Engineers, MICE (Chartered Civil Engineer) as well as a registered Professional Engineer (Civil & Structural).

CHIN YEOK YUEN

Chief Financial Officer

Ms Chin Yeok Yuen joined the Company in October 2007 as its Chief Financial Officer and is responsible for the financial, accounting and corporate matters of the Group. Immediately prior to joining the Company, Ms Chin was the Group Financial Controller of MediaRing Ltd. From 1997 to 2002, she was the Finance Director of Kemin Asia Pte Ltd. Before Kemin, she spent her earlier years working with one of the big four accounting firms and MNCs like Tandem Computers and Glaxo Pharmaceuticals. Ms Chin is a fellow member of the Institute of Singapore Chartered Accountants (ISCA). She graduated with a Bachelor of Accountancy from the National University of Singapore.

LOW POH KOK

Senior Manager – Property Development

Mr Low Poh Kok joined the Company in July 2004. He is currently the Senior Manager of Property Development and is involved in all property development projects. Prior to that, he had worked in the United States of America for 8 years as a project manager for an IT company. He brings to the Company his overseas experiences and project management skills. Mr Low has a Diploma in Business Studies from Ngee Ann Polytechnic and a Bachelor of Science in Computer Information System from Indiana University at Bloomington, USA.

LOW CHIN HAN

Director – Hospitality

Mr Low Chin Han graduated with a Bachelor of Business Management majoring in finance in 2003 from Singapore Management University. Mr Low has worked as a consultant for Duxton Hotels since 2009 and was promoted to General Director of Duxton Hotels in July 2011. Prior to working for Duxton Hotels, Mr Low was working with several investment banks in Singapore and Hong Kong in both equity capital markets and debt capital markets.

BRUCE DOIG

General Manager
Duxton Hotel Perth

Mr Bruce Doig joined Duxton Hotel Perth as Deputy General Manager in April 2008 and was subsequently promoted to General Manager in July 2008. He has more than 34 years of hotel experience in Australia and worked for well known hotel brands including Sheraton, Hyatt, Broadwater Hotel & Resorts, Merlin Hotels and Radisson. Mr Doig graduated from Wesley College before obtaining a Diploma in Hotel Management and Catering from Bentley Technical College.

CORPORATE GOVERNANCE

The Board of Directors of Low Keng Huat (Singapore) Limited ("Company") is committed to complying with effective Corporate Governance to ensure transparency and protection of shareholders' value. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the 2012 Code of Corporate Governance ("Code").

STATEMENT OF COMPLIANCE

The Board of Directors ("Board") of the Company confirms that for the financial year ended 31 January 2019, the Company has complied in all material aspects with the principles and guidelines of the Code.

BOARD MATTERS

PRINCIPLE 1

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

Guideline 1.1

Board's Role

The primary role of the Board, apart from its statutory responsibilities, comprises: -

- Establishing a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- Overseeing and monitoring the management and affairs of the Group;
- Approving the Group's corporate policies;
- Reviewing the financial performance including approval of the annual and interim financial reports;
- Approving the nomination of Directors and appointments to the various Board Committees;
- Reviewing the integrity and adequacy of internal control, risk management, financial reporting and compliance; and
- Assuming responsibility for corporate governance of the Group and considers sustainability issues of policies and procedures.

Guideline 1.2

Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions as fiduciaries in the interest of the Group.

Guideline 1.3

Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has established the following specialized Board Committees: -

- The Nominating Committee ("NC");
- The Remuneration Committee ("RC"); and
- The Audit Committee ("AC")

Each of the above committees has its respective written mandates and operating procedures, which will be reviewed on a regular basis.

Guideline 1.4

Meetings of Board and Board Committees

The Board conducts regular scheduled meetings and as warranted by circumstances. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. The Company's Constitution provides for the Board to convene meetings via teleconferencing and/or similar means provided the requisite quorum of majority of the directors is present.

All Directors are updated on a regular basis by way of Board meetings or by way of circulars on matters material to the Company.

The Directors' attendance at the Board meetings (including committee meetings) held and the number of meetings attended by each member at the respective meetings during the financial year under review are set out below.

	No. of Meetings Attended in financial year ended 31 January 2019				
	Directors	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
1	Tan Sri Dato' Low Keng Huat	3	–	–	–
2	Low Keng Boon @ Lau Boon Sen	4	–	3	–
3	Dato' Marco Low Peng Kiat	4	–	–	–
4	Low Poh Kuan	3	–	–	–
5	Lee Han Yang	4	4	3	1
6	Lucas Liew Kim Voon	4	4	3	1
7	Wey Kim Long (1)	3	3	–	1
8	Jimmy Yim Wing Kuen	4	–	–	1
9	Chris Chia Woon Liat (2)	1	1	–	–
	No. of meetings held	4	4	3	1

Notes:

- [(1)]Mr Wey Kim Long retired on 12 September 2018.
- [(2)]Mr Chris Chia Woon Liat was appointed on 12 September 2018.
- The two new Directors, namely Mr Cheo Chai Hong and Mr Michael Leong Choon Fai were appointed on 7 December 2018. There were no Board meetings held from their date of appointment till 31 January 2019.

Guideline 1.5

Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines on the matters reserved for the Board's decision; and clear directions to Management on matters that must be approved by the Board.

Matters reserved for Board's Approval

Matters specifically reserved to the Board for its approval are: -

(a) matters involving a conflict of interest for a substantial shareholder or a director;

(b) material acquisitions and disposal of assets;

(c) corporate or financial restructuring;

(d) share issuances, interim dividends and other returns to shareholders; and

(e) any material investments or expenditures not in the ordinary course of the Group's businesses.

Guideline 1.6

Continuous Training and Development of Directors

New Directors will be briefed on the Group's business and the Company's governance policies, disclosure of interest in securities, disclosure of any conflict in a transaction involving the Company, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information. New Directors appointed by the Board in 2018, namely, Mr Chris Chia Woon Liat, Mr Michael Leong Choon Fai and Mr Cheo Chai Hong had undergone the above orientation process.

Training for first-time director in areas such as accounting, legal and industry-specific knowledge are arranged and funded by the Company.

All Directors are encouraged to update themselves by attending training programs, seminars and workshops organised by various professional bodies and organisations with funding from the Company as applicable.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules, and the accounting standards and the amendments to the Companies Act and the Code. The Chairman updates the Board at each Board meeting on business and strategic developments. The management highlights the salient issues as well as the risk management considerations for the industries the Group are in.

Guideline 1.7

Formal letter setting out Directors' Duties

A new Director will be provided with a formal letter setting out their duties and responsibilities.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2

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

Guideline 2.1

Strong and independent element on the Board, with independent directors making up at least one-third of the Board

The Board currently comprises nine Directors of whom six are independent and three are executive. The number of independent directors thus represents more than one third of the Board and majority of the Board comprises non-executive Directors.

Guideline 2.2

Independent Directors to make up half the Board

The Company's Executive Chairman and Managing Director are immediate family members. The Company has six Independent Directors out of total nine Directors. The Company complied with Guideline 2.2 of the Code requiring the Independent Directors to make up half the Board.

Guidelines 2.3 & 2.4

Independence of Directors

The criteria of independence are based on the definition given in the Code. The Code has defined an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company.

Annual Review of Directors' Independence in financial year ended 31 January 2019

All the Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related corporation, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement.

Mr Lucas Liew Kim Voon and Mr Lee Han Yang have served on the Board of Directors for more than nine years. Mr Jimmy Yim Wing Kuen have reached a term of service of 9 years on 1 March 2019. All three of them have been subjected to rigorous scrutiny by the Board. Despite their long period of service, the Board was of the view that Mr Lucas Liew Kim Voon, Mr Lee Han Yang and Mr Jimmy Yim Wing Kuen have, at all times, expressed their individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinised Board matters and Board Committee matters in the interest of the Company. In addition they are not related to the majority shareholders and do not have any other interest in the Company, except those shareholdings as declared on page 51 of this Annual Report. Hence the Board considers these Directors independent. Each of Mr Lucas Liew Kim Voon, Mr Lee Han Yang and Mr Jimmy Yim Wing Kuen has abstained from the Board's deliberation of their independence. Mr Lucas Liew Kim Voon and Mr Lee Han Yang will retire upon the conclusion of the forthcoming annual general meeting ("AGM") in accordance with Regulations 88 and 89 of the Constitution.

Guidelines 2.5 & 2.6

Composition and Competency of the Board

The Board members bring with them invaluable experience and collective core competencies such as accounting, finance, law, business and management experiences as well as industry expertise. The Board has reviewed its composition and is satisfied that such composition is appropriate. The Board will constantly review its size and composition to determine its appropriateness and effectiveness taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and committees.

The Board also considers gender as an important aspect of diversity alongside factors such as the age, ethnicity and educational background of its members, as it believes that diversity in the Board's composition contributes to the quality of its decision making. The Company will continue to consider the merits of the candidates in its Board renewal process and believes that doing so will meet its aim of achieving diversity of perspectives.

Where appropriate, developments in legislation, government policies and regulations affecting the Group's businesses and operations are provided to all Directors on a timely basis.

The profiles of the Directors are set out on page 16 to page 20 of this Annual Report.

Guideline 2.7

Role of Non-Executive Directors

During the year, the Non-Executive Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress in implementing such agreed business strategies are monitored by the Non-Executive Directors.

Guideline 2.8

Regular Meetings of Non-Executive Directors

During the year, the Non-Executive Directors communicate among themselves without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

The Directors have access to the advice of the Company Secretary and Management. They may also seek independent professional advice concerning the Company's affairs when necessary.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3

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

Guidelines 3.1 to 3.4

- Separate role of Chairman and Managing Director

- Role of the Chairman

- Lead Independent Director

The clear division of responsibilities between the Executive Chairman and the Managing Director ensures proper balance of power and authority at the top management of the Group. The posts of Executive Chairman and Managing Director are kept separate and are held by Mr Low Keng Boon @ Lau Boon Sen and Dato' Marco Low Peng Kiat respectively.

The Chairman leads the Board, approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He ensures directors receive complete, adequate and timely information and encourages constructive relations within the Board and between the Board and Management.

The Managing Director makes key decisions on the management and operations of the Group and are responsible for the conduct of the business and affairs of the Group.

Dato' Marco Low Peng Kiat, the Managing Director, is the nephew of of the Executive Chairman. Under the Code, which recommends that where the Chairman and CEO are immediate family members, the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. Such appointment would further strengthen the independence of the Board and provide an additional channel of communication to shareholders.

Mr Jimmy Yim Wing Kuen is the Lead Independent Director. The key responsibilities of the Lead Independent Director are:

- Providing an additional and independent channel of contact to shareholders
- Leading the Non-Executive/Independent Directors in providing and facilitating non-executive perspective and contributing a balance of viewpoints on the Board
- Co-ordinating the activities and meetings of Non-Executive/Independent Directors
- Advising the Executive Chairman as to board and board committees meetings; and
- Promoting high standards of corporate governance

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors when necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

BOARD MEMBERSHIP

PRINCIPLE 4

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

Guidelines 4.1 and 4.2

Nominating Committee

The NC comprises five Directors, the majority of whom (including the Chairman) are independent Directors.

Mr Cheo Chai Hong	Chairman
Mr Jimmy Yim Wing Kuen	Member
Mr Chris Chia Woon Liat	Member
Mr Low Keng Boon @ Lau Boon Sen	Member
Dato' Marco Low Peng Kiat	Member

The NC functions under written terms of reference which sets out its responsibilities as follows: -

- review board succession plans for directors;
- develop the process for evaluation of the performance of the Board, its board committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director;
- review training and professional development programs for the Board;
- determine the criteria for identifying candidates for directorship;
- review nominations and make recommendations to the Board on all Board appointments;
- make recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's AGM;
- determine annually whether or not a director is independent;
- determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- ensure disclosure of key information of Directors in the Annual Reports as required by the Code.

Guideline 4.3

Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code, and has ascertained that they are independent.

Guideline 4.4

Multiple Board Representations

The NC has considered and took the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

Guideline 4.5

Alternative Directors

The Company currently has no Alternate Director.

Guideline 4.6

Process for the Selection and Appointment of New Directors

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement.

Once the NC has determined the desired competencies for an additional or replacement director to complement the skills and competencies of the existing directors, it will submit its recommendations to the Board for approval.

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

Regulation 88 of the Constitution requires that at each AGM one-third of the Directors shall retire from office by rotation provided that all Directors submit themselves for re-election at least once every three years. Regulation 89 of the Constitution specifies that the Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election.

Mr Lucas Liew Kim Voon and Mr Lee Han Yang who have served on the Board for more than 9 years will retire upon the conclusion of the forthcoming AGM in accordance with Regulations 88 and 89 of the Constitution.

Dato' Marco Low Peng Kiat was re-elected in 2015 while while Mr Low Keng Boon @ Lau Boon Sen and Mr Jimmy Yim Wing Kuen were last re-elected in 2016. The NC has recommended to the Board their re-election taking into consideration their contribution and performance. The Board has accepted the NC's recommendation. They have abstained from participating in any deliberation of the NC concerning their re-election. Each of them has abstained from the Board's deliberation in respect of the assessment of his own performance or re-election as a director.

Regulation 87 of the Constitution requires a director who is appointed by the Board to hold office until the next AGM and be eligible for re-election thereat. Mr Chris Chia Woon Liat, Mr Michael Leong Choon Fai and Mr Cheo Chai Hong were appointed by the Board in 2018 and accordingly they will retire in accordance with Regulation 87 of the Constitution. The NC has recommended their re-election. The Board has accepted the NC's recommendation. Mr Chris Chia Woon Liat and Cheo Chai Hong have abstained from the deliberations of the NC and the Board concerning their re-election. Mr Michael Leong Choon Fai has abstained from the Board's deliberation in respect of his re-election.

Guideline 4.7

Key Information on Directors

Key information regarding the Directors are set out on page 16 to page 20 of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out on page 51 of this Annual Report.

BOARD PERFORMANCE

PRINCIPLE 5

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

Guidelines 5.1 to 5.3

Conduct of Board Performance

Performance Criteria for Board Evaluation

Evaluation of Individual Directors

The NC's evaluation of each Director and the Board's performance as a whole is conducted on an annual basis.

The general assessment parameters of a Director are experience in being a company director, competence and knowledge. The specific assessment parameters of a Director include level and quality of involvement during the course of the year, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The NC also assesses the effectiveness of the Board as a whole in both quantitative and qualitative terms. Quantitative performance measurement is principally based on shareholder value creation such as share price performance and earnings per share. Qualitative performance indicators include compliance with the Code, transparency in terms of disclosure and feedback from authorities and investors.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for financial year ended 31 January 2019 and is of the view that the performance of the Board as a whole and its Board committees have been satisfactory and that the individual Directors have performed to contribute to the Board's overall performance. No external facilitator was used in the evaluation process.

ACCESS TO INFORMATION

PRINCIPLE 6

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

Guidelines 6.1 and 6.2

Board's Access to information

The Board is furnished with Board papers prior to any Board meeting. These Board papers include management reports, financial reports and other relevant information meant to provide complete, adequate, timely and reliable information so as to ensure Directors' informed participation at such meetings and hence the effective discharge of their duties. Where necessary, senior members of management staff or external consultants engaged on specific projects, are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings.

When decisions to be taken by the Board require specialized knowledge or expert opinions, the Board is able to seek independent professional advice, if necessary. Such cost for professional advice will be borne by the Company.

The Directors may communicate directly with the Management, the Company Secretary, the internal auditor and the external auditors on all matters whenever they deem necessary.

The Company Secretary attends all Board meetings and is responsible to ensure that board procedures, applicable rules and regulations are followed.

Guidelines 6.3 & 6.4

- Board's Access to Company Secretary

- Appointment and Removal of Company Secretary

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends or is represented at all Board meetings and meetings of the Board committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Guideline 6.5

Board's Access to Independent Professional Advice

The Board collectively and each Director individually has the right to seek independent, legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors. Such cost for professional advice will be borne by the Company.

REMUNERATION MATTERS

PRINCIPLE 7

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

Guideline 7.1

Remuneration Committee

The Code recommends that the RC should comprise entirely non-executive directors, the majority of whom, including the chairman, should be independent.

The RC comprises four Directors, the majority of whom are Non-Executive and Independent Directors:

Mr Michael Leong Choon Fai	Chairman
Mr Jimmy Yim Wing Kuen	Member
Mr Chris Chia Woon Liat	Member
Dato' Marco Low Peng Kiat	Member

The Independent Directors believe that the RC benefits from having Dato' Marco Low Peng Kiat, an Executive Director, as a member of the RC. His understanding of the job duties of executives is valuable to ensure that the remuneration packages commensurate with the job scope and level of responsibilities of each of the executives. He will foster constructive discussions in proposing the executives' remuneration to the Board. Having an RC member who is an Executive Director will not impede the independence of the RC as majority of the RC comprises Independent Directors and no Director or member of the RC is allowed to participate in the deliberation, and he has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him.

The principal responsibilities of the RC are to:

- recommend to the Board base pay levels, benefits and incentive opportunities;
- approve the structure of the compensation programme for Directors and Senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate Senior Management of the required quality to run the Company successfully; and
- review Directors' and Senior Management's compensation annually and determine appropriate adjustments; and review and recommend the Managing Director's pay adjustments.

When necessary, the RC is able to seek independent professional advice on remuneration matters. Such cost will be borne by the Company.

The overriding principle is that no Director should be involved in deciding his own remuneration.

Guideline 7.2

Remuneration Framework

The RC recommends to the Board a framework of remuneration for the Directors and Senior Management, and determines specific remuneration package for each Executive Director. The recommendations will be submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to directors' fee, salaries, allowances, bonuses and benefits-in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration package.

Guideline 7.3

RC's Access to Advice on Remuneration Matters

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For financial year ended 31 January 2019, the RC did not engage expert professional advice.

Guideline 7.4

Termination Clauses in Service Contract

Each of the Executive Directors and key management personnel have an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on a long term basis and no onerous removal clauses are contained in the employment contract.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 8

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

Guideline 8.1

Remuneration of Executive Directors and Key Management Personnel

The Company's remuneration policy is to provide compensation packages at market rates which will reward successful performance and attract, retain and motivate directors and managers. The level and structure of remuneration is also aligned with the long-term interest and risk policies of the Company, and the RC is of the view that it is appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company, while not paying more than necessary for this purpose.

The Executive Directors' remuneration comprises salary, bonus, allowances and benefits which are governed by employment contracts entered into with the Company. The bonus, which makes up a significant portion of total remuneration, is linked to the performance of the Group. The key management personnel are paid a fixed monthly salary and bonus based on their operating unit performance and their individual performance. The performance conditions were met in financial year ended 31 January 2019.

Guideline 8.2

Long-term Incentive Scheme

Currently, the Company has no long term incentive schemes. The RC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management staff for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being overly excessive.

Guideline 8.3

Remuneration of Non-Executive Directors

Non-Executive Directors do not have service agreements with the Company and receive only Directors' fees. Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. The RC has reviewed the fee structure for Non-Executive Directors as being reflective of their responsibilities and work commitments and recommends the Directors' fee for financial year ended 31 January 2019. The Company will submit the quantum of Directors' fee of each year to the shareholders for approval at each AGM and they are paid upon the conclusion of the AGM.

Guideline 8.4

Contractual Provisions

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit performance (excluding unrealised profits and fair value gains) as well as individual performance, "claw-back" provisions in the service agreements may not be relevant or appropriate.

DISCLOSURE ON REMUNERATION

PRINCIPLE 9

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

Guidelines 9.1, 9.2 and 9.3

Remuneration Report

The breakdown of the level and mix of remuneration of each Director and the top five key executives for the financial year ended 31 January 2019 are set out below. A significant portion of key executives' remuneration is linked to corporate and individual performance. Directors' remuneration are disclosed fully on a named basis in bands of $250,000 each.

	Directors' Fee(1)	Salary (annual)	Bonus (annual)	CPF/ Super-annuation	Allowances/ Benefits (annual)	Total
Directors						
$1,000,000 to $1,249,999						
Low Keng Boon @ Lau Boon Sen	–	720,000	210,000	7,650	63,079	1,000,729
Dato' Marco Low Peng Kiat	–	720,000	210,000	–	74,981	1,004,981
$250,000 to $499,999						
Low Poh Kuan	–	240,000	70,000	17,340	52,577	379,917

	Directors' Fee[1]	Salary (annual)	Bonus (annual)	CPF/ Super-annuation	Allowances/ Benefits (annual)	Total
Directors						
Below $250,000						
Tan Sri Dato' Low Keng Huat[2]	55,000	–	–	–	–	55,000
Lee Han Yang	50,000	–	–	–	–	50,000
Lucas Liew Kim Voon	50,000	–	–	–	–	50,000
Jimmy Yim Wing Kuen	45,000	–	–	–	–	45,000
Wey Kim Long [3]	27,493	–	–	–	–	27,493
Chris Chia Woon Liat [4]	17,507	–	–	–	–	17,507
Michael Leong Choon Fai [5]	6,904	–	–	–	–	6,904
Cheo Chai Hong [4]	6,904	–	–	–	–	6,904
Key Executives						
$250,000 to $499,999						
Lee Yoon Moi	–	73%	22%	2%	3%	100%
Chin Yeok Yuen	–	72%	21%	4%	3%	100%
Low Chin Han	–	69%	20%	–	11%	100%
Low Poh Kok	–	72%	21%	–	7%	100%
Bruce Doig	–	61%	–	5%	34%	100%

The directors' fees are subject to shareholders' approval at the AGM.

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) is $1,703,400.

Mr Low Chin Han is the son of Mr Low Keng Boon @ Lau Boon Sen. Dato' Marco Low Peng Kiat, Mr Low Poh Kuan and Low Poh Kok are the nephews of Mr Low Keng Boon @ Lau Boon Sen.

Notes:

(1) Directors' fee proposed for 2018/2019.

(2) Tan Sri Dato' Low Keng Huat ceased to be a Director upon his demise in February 2019.

(3) Mr Wey Kim Long retired on 12 September 2018.

(4) Mr Chris Chia Woon Liat was appointed on 12 September 2018.

(5) Mr Michael Leong Choon Fai and Mr Cheo Chai Hong were appointed on 7 December 2018.

Guideline 9.4

Remuneration of Immediate Family Members of Directors or CEO

The Remuneration of other employees who are immediate family members of a Director or CEO are as follows:-

	Relationship to Directors/CEO	**Designation in the Company**
$150,001 to $200,000		
Steven Low Chee Leong	Son of Mr Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat and Mr Low Poh Kuan.	Head, Safety Department
$100,001 to $150,000		
Chong Chee Kui	Nephew of Mr Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat and Mr Low Poh Kuan.	Senior Site Supervisor
Low Poh Hon	Nephew of Mr Low Keng Boon @ Lau Boon Sen. Brother of Mr Low Poh Kuan. Cousin of Dato' Marco Low Peng Kiat.	Office Administrator
Paullyn Tay Chiu Gee	Niece-in-law of Mr Low Keng Boon @ Lau Boon Sen. Sister-in-law of Mr Low Poh Kuan. Cousin-in-law of Dato' Marco Low Peng Kiat	Project Co-ordinator
$50,001 to $100,000		
Carol Low Seok Peng	Daughter of Mr Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat and Mr Low Poh Kuan.	Operations Manager of Carnivore Brazilian Churrascaria Pte. Ltd.

Save as disclosed, no employee of the Group is an immediate family member of a Director or CEO and whose remuneration is in excess of $50,000 in the year under review.

Guideline 9.5

Employee Share Scheme

The Company does not have any share option or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure for management personnel and executives paid out in cash would continue to be adequate in incentivising performance without being overly-excessive. For other staff, the general preference is for incentives to be paid out in cash.

Guideline 9.6

Link between Remuneration and Performance

The disclosures in Guidelines 8.1 and 8.3 set out the link between remuneration and performance for Executive Directors, key management personnel and Non-Executive Directors.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10

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

Guideline 10.1

Accountability for Company's Performance, Position and Prospects

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report.

The Company will release any price-sensitive information to the public before meeting any group of investors.

Guideline 10.2

Compliance with Legislative and Regulatory Requirements

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited ("SGX-ST"). The Company had, pursuant to Listing Rule 720(1), received undertakings from all its Directors and executive officers in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply.

Guideline 10.3

Review of Management Accounts

The Management currently provides the Board with management accounts which presents a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly basis and as and when deemed necessary.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 11

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

Guidelines 11.1 and 11.2

Risk Management and Internal Controls

The Board is responsible for the governance of risk and it recognises the importance of a sound system of risk management and internal controls as part of good corporate governance. It has delegated to the AC to assist the Board in the oversight of the risk management and internal control systems within the Group.

The main risks arising from the Group's business and financial instruments are operational and financial risks. Operational risk is inherent in all business activities. To minimize such a risk, the Group has put in place a QEHS (Quality, Environmental, Occupational Health and Safety) system for the construction business and an operating manual for the hotel business. Senior management adopts a proactive and "hands-on" approach in managing and supervising the Group's business. In addition, the Group has taken comprehensive insurance policies to cover unexpected events and losses. Where necessary, the Group engages external consultants and experts to assist in the operations.

The AC reviews and the Board endorses the Company's levels of risk tolerances and risk policies taking into account the Company's strategic and business objectives. The Board is responsible for ensuring that Management designs, implements and monitors the risk management and internal control systems to safeguard shareholders' investments and the assets of the Group.

Internal Controls

The Group has a system of internal controls designed to provide reasonable assurance that proper accounting records are maintained, the Group's assets are safeguarded and that financial information used for financial reporting is reliable.

The AC has reviewed the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

With the assistance of the Internal Audit function and through the AC, the Board reviews the adequacy and effectiveness of the key internal controls and risk management on an on-going basis, at least once a year, and provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis.

Guideline 11.3

- Assurances from the Executive Chairman, Managing Director and the Chief Financial Officer

- Board's opinion on adequacy and effectiveness of the internal controls

For the financial year ended 31 January 2019, the Board has received assurance from Executive Chairman, Managing Director and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and on the effectiveness of the Group's risk management and internal controls system.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from Executive Chairman, Managing Director and Chief Financial Officer as well as reviews by the AC and the Board, the Board, is of the opinion that the Group's internal financial, operational, information technology and compliance controls and its risk management systems are adequate and effective as at 31 January 2019. The AC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors.

The Board is also of the opinion that the Group's risk management and internal control systems provide reasonable but not absolute assurance that the Group will not be adversely affected by the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities or other events arising from the business environment which the Group operates in.

Guideline 11.4

Risk Committee

The responsibility of overseeing the Group's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT COMMITTEE

PRINCIPLE 12

The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

Guidelines 12.1 and 12.2

- AC Membership

- Expertise of AC Members

The AC comprises three Directors, all of whom (including the Chairman) are independent:

Mr Jimmy Yim Wing Kuen	Chairman
Mr Chris Chia Woon Liat	Member
Mr Cheo Chai Hong	Member

These AC members have had many years of experience in senior management positions in the financial, accounting and legal sectors. The Board has reviewed and is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities.

Guidelines 12.3 to 12.5

Roles, Responsibilities and Authorities of AC

The AC assists the Board in fulfilling its responsibilities in financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The AC meets periodically to perform the following functions: -

- Review with the external auditor, the audit plan, and their evaluation of the accounting, operational and compliance controls, risk management and audit report;
- Review the annual and interim financial statements including the announcements to SGX-ST prior to submission to the Board;
- Review the assistance given by Management and the staff of the Company to the external auditor;
- Review the independence of the external auditor;
- Nomination of the external auditor;

- Oversee internal audit; and

- Review of interested person transactions between the Group and interested persons.

The AC has the power to conduct or to authorise investigations into any matters within its scope of responsibility. It has full access to and co-operation of the Management, internal auditor and external auditor. It also has the discretion to invite any Director and executive officer to attend its meeting.

During the year, the Company's external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC has the discretion to meet separately with the external auditors without the presence of Management.

The Company records and reports interested person transactions which are subject to review by the AC to ensure that they were conducted on normal commercial terms. Details of interested person transactions during the year under review pursuant to the SGX-ST Listing Manual are as follows:

Name of interested person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)**
Consistent Record Sdn Bhd	Bina Meganmas Sdn Bhd		N/A
	Loan	$579,850	
	Binakawa Sdn Bhd		
	Loan	$1,948,714	
	Total	$2,528,564	

Pursuant to Chapter 9 of the SGX-ST Listing Manual, the above interested person transactions are either below the relevant materiality threshold or exempted from shareholders' approval.

Guideline 12.6

Independence of External Auditors

For the year under review, the AC has considered the matters set out in the Directors' Report, including the scope of non-audit services provided by the external auditor and are satisfied that the nature and extent of such services will not prejudice the independence of the external auditor.

The AC noted that the aggregate amount of audit fees paid and payable by the Group to the external auditors for financial year ended 31 January 2019 was approximately $223,461, of which audit fees amounted to approximately $200,461 and non-audit fees amounted to approximately $23,000.

In appointing the audit firm for the Group, the AC is satisfied that the Company has complied with Listing Rules 712 and 716.

Guideline 12.7

Whistle-blowing Policy

The Company has set up a Whistle Blowing Policy. The Board believes that effective whistle blowing arrangements will act as a deterrent to malpractice and wrongdoing, encourage openness, promote transparency, underpin the risk management systems of the Group and enhance its reputation. The policy had been circulated to all employees for implementation. It has been put in place to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The AC has the responsibility of overseeing this policy which is administered with the assistance of the Chief Financial Officer. The AC is able to act independently to take such action as may be necessary to address the concerns raised and has the authority to instruct any Senior Management staff to assist or co-operate in such action.

Guideline 12.8

AC to Keep Abreast of Changes to Accounting Standards

All the AC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the functions of AC.

Guideline 12.9

Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm is a member of the AC.

INTERNAL AUDIT

PRINCIPLE 13

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

Guidelines 13.1 and 13.2

Internal Auditors

The Company outsourced the Group's internal audit to Lee Sun Yen and Associates Pte. Ltd., a professional accounting firm. The AC is satisfied that the internal audit function is adequately resourced to carry out its function. The Group Internal Auditor reports directly to the AC on internal audit matters. The Group Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including unrestricted direct access to the AC. The Group Internal Auditor has confirmed their independence to the AC.

Guidelines 13.3 and 13.4

Qualifications of the Internal Auditors and Professional Standards

The Group Internal Auditor is a member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience.

The internal audit essentially follows the professional standards set by the Institute of Internal Auditors.

Guideline 13.5

Adequacy and Effectiveness of Internal Audit Function

To ensure the adequacy of the internal audit function, the AC annually reviews the scope, methodology and observations of the internal audit. The AC is satisfied that the Company's internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14

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

Guidelines 14.1

Sufficient Information to Shareholders

The Company endeavours to communicate regularly, effectively and fairly with its shareholders.

Financial results and material information are communicated to shareholders on a timely basis. Communication is made through:

- Annual reports that are prepared and issued to all shareholders;
- Announcements via SGXNET;
- Press releases on major developments;
- The Company's website at www.lkhs.com.sg from which shareholders can access information about the Group; and
- Notices of and explanatory memoranda for AGM and Extraordinary General Meetings

Guideline 14.2

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Every shareholder has the right to receive notice of general meetings and to vote thereat.

The notices of the general meetings are dispatched to shareholders, together with explanatory notes at least 14 clear days before each meeting. The notice is also advertised in a national newspaper. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally during, before or after the general meeting.

Shareholders are encouraged to attend the AGM and other general meetings of the Company to ensure a high level of accountability and to stay informed of the Group's development. The general meetings are the principal forum for dialogue with shareholders. Shareholders can vote in person or by way of proxy at the general meetings. Shareholders will be briefed by the Company on the voting procedures at general meetings.

Guideline 14.3

Proxies for Nominee Companies

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries which include CPF Approved nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 15

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

Guidelines 15.1 to 15.4

Timely information to and engagement with shareholders

The Company communicates with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. Financial results of the Group are released within 45 days from the end of each quarter and within 60 days from the financial year end. In addition, Annual Reports are distributed to shareholders at least 14 days before each annual general meeting.

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

The Company's AGM is a forum for the shareholders to engage the Board to ask questions on the resolutions tabled at the AGM and to express their views.

The Company will consider the use of other forums as set out in Guideline 15.4 of the Code such as analyst briefings as and when applicable.

Guideline 15.5

Dividend

For financial year ended 31 January 2019, the Board has proposed a first and final tax exempt (one-tier) dividend of 1.5 cents at the forthcoming AGM for shareholders' approval. Details of the proposed dividend are stated in the notice of the AGM attached to this Annual Report. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments before proposing a dividend.

CONDUCT OF SHAREHOLDER MEETINGS

PRINCIPLE 16

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

Guideline 16.1

Effective Shareholders' Participation

To facilitate shareholders' effective participation at general meetings, the Company holds its general meetings at a location which is considered convenient and accessible to shareholders.

All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting. Nevertheless, shareholders who are unable to be physically present at the meeting can appoint proxies to attend and vote in their stead.

The Chairman of the AC, NC and RC would be present and available to address questions at general meetings. The external auditor would be present at the said meetings to assist the Directors in addressing any relevant queries raised by shareholders.

Guideline 16.2

Separate Resolutions at General Meetings

The Board will set separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item.

Guideline 16.3

Attendance of Chairman of the Board and Board Committees at General Meetings

The Chairman of the AC, NC and RC would be present and available to address questions at general meetings. The external auditor would be present at the said meetings to assist the Directors in addressing any relevant queries raised by shareholders.

Guideline 16.4

Minutes of General Meetings

The minutes of the general meetings are taken and are available to shareholders for their inspection upon request.

Guideline 16.5

Results of resolutions by poll

All resolutions at general meetings are put to vote by electronic poll. Voting and vote tabulation procedures are disclosed at the general meetings. A scrutineer is appointed to scrutinize the voting process. Votes cast for, or against, each resolution will be read out at shareholders immediately after vote tabulations. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

SECURITIES TRANSACTIONS

The Company has adopted and implemented a policy on dealings in the securities that is in accordance with Rule 1207(19) of the Listing Manual. Under this policy, Directors, Management and accounting staff are prohibited from dealing in the Company's Shares during the period commencing two weeks before the announcement of the financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements and at any time while in possession of any unpublished material price-sensitive information.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's Securities outside the prohibited periods. They are discouraged from dealing in the Company's Securities on short-term considerations and should be mindful of the laws on insider trading.

The Company has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its own securities during the restricted trading periods.

MATERIAL CONTRACTS

There was no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Executive Chairman, any Director, or controlling shareholder.

SUSTAINABILITY REPORTING

The Board is committed to conducting its business operations in a manner that upholds high standards of corporate governance and considers the environmental and social impact for sustainable growth. The Board has appointed a Sustainability Committee comprising senior representatives from key departments who will be responsible for formulating and implementing the Group's sustainability strategies.

SUSTAINABILITY REPORT

For the financial year ended 31 January 2019

Low Keng Huat (Singapore) Limited ("LKHS") and its subsidiaries ('the Group") is pleased to present its second-year Sustainability Report which has been prepared in accordance with SGX Listing Rules 711A & 711B with the continued application of the GRI-Referenced Claim basis, the same topic specific standards adopted for its first-year reporting including Disclosure 403-1 (a), 403-2 from GRI 403: Occupational Health and Safety 2016, Disclosure 306-2 (c) from GRI 306: Effluents and Waste 2016, and GRI 302-1 and GRI 302-3 from GRI 302: Energy 2016, and the adoption of the Phased Implementation Approach as permitted by the Sustainability Reporting Guide ("the SGX Guide"). Key governance issues of the Group are addressed in the Corporate Governance Report section on Page 22 to 45 in the Annual Report for FY2019.

Based on the same internal system of data collection and analysis process that were used for last year's reporting, the Sustainability Committee ("SC") had made an assessment and measurement of the sustainability performance for the material ESG factors as shown below, against their FY2019 targets and including the development of FY2020 targets in the following Tables (1) – (3):

1. Occupational Health and Safety

1.1 Managed Buildings

Health and Safety	Unit of Measurement	FY2019	FY2019	FY2020
		Target	Actual	Target
Accident Incidents	Number	Nil	Nil	Nil
Workplace Injuries	Number	Nil	1	Nil
Fatalities	Number	Nil	Nil	Nil
Occupational Diseases	Number	Nil	Nil	Nil

1.2 Construction Sites

Health and Safety	Unit of Measurement	FY2019	FY2019	FY2020
		Target	Actual	Target
Accident Incidents	Number	Nil	Nil	Nil
Workplace Injuries	Number	Nil	Nil	Nil
Fatalities	Number	Nil	Nil	Nil
Occupational Diseases	Number	Nil	Nil	Nil

2 Construction Wastes Management

Wastes Management	Unit of Measurement	FY2019	FY2019	FY2020
		Target	Actual	Target
Wastes Disposed	Kg/sqm GFA	9.0	24.3	4.5

3 Energy Management

3.1 Construction Sites

Energy Management	Unit of Measurement	FY2019	FY2019	FY2020
		Target	Actual	Target
Energy Usage	Kwh/sqm GFA	45	27	6

3.2 Managed Buildings

Energy Management	Unit of Measurement	FY2019	FY2019	FY2020
		Target	Actual	Target
Energy Usage	MWh	11,575	11,525	11,533

4. Performance Variances Commentaries:

4.1 Occupational Health and Safety – Managed Buildings

(A) FY2019 Actual vs FY2019 Target

(i) A fall-related injury incident involving a contractor at Westgate Tower. The Managing Agent for Westgate Tower will ensure to further tighten all aspects of safety and work practices in the building to prevent similar occurrences in the future.

4.2 Construction Wastes Management – Construction Sites

(A) FY2019 Actual vs FY2019 Target

(i) Citadines Balestier project: 2019 Target for wastes disposed was underestimated by about 15.3kg/sqm GFA.

(B) FY2019 Actual vs FY2020 Target

(i) Citadines Balestier project: 4.5kg/sqm GFA of disposed wastes in FY2020 will be related to the remaining 3-4 months of project duration as construction activities are scheduled for completion in May 2019.

(ii) Kismis Residence project: No more wastes disposal during FY2020 as the construction project was completed in FY2019.

4.3 Energy Management – Construction Sites

(A) FY2019 Actual vs FY2019 Target

(i) Citadines Balestier Project: Lower energy usage was due to earlier completion of the structural works.

(B) FY2019 Actual vs FY2020 Target

(i) Citadines Balestier Project: 6kwh/sqm GFA of energy consumed in FY2020 will be related to remaining 3-4 months of project duration toward its completion in May 2019.

(ii) Kismis Residence Project: No more energy usage during FY2020 as the construction project was completed in FY2019.

The Board is committed to continuing the sustainability effort and ensuring the progress and ongoing improvement in the management, monitoring and reporting centered on the material ESG factors relating to the Group's business segments in property development covering Citadines Balestier and Kismis Residence including new construction projects that may commence from FY2020, and the investment properties at Paya Lebar Square retail mall and Westgate Tower.

Sustainability Reporting Plan for FY2020

During FY2019, the SC had planned for the scope of FY2020 to be extended to cover Duxton Hotel Perth (Western Australia) under the hotel segment of the Group. Duxton Hotel Perth is owned by Amuret Pty Ltd, a 75% subsidiary of the Group. Duxton Hotel Perth is managed by the hotel operator Narymal Pty Ltd, a 75% subsidiary of the Group.

The SC had also conducted a preliminary study amongst the key stakeholders to identify the sustainability topics that are relevant to hotel segment in Western Australia and had considered that 'Occupational and Customers Health & Safety' topics are material for the business operation of Duxton Hotel Perth for purpose of FY2020 reporting as they are expected to have the most direct impact on the Group in the form of reputational and financial risk.

Materiality Considerations

Based on a report done by Safe Work Australia in 2015, a work-related injuries survey undertaken by industry division had found that the number of accommodation and food services workers who experienced an injury or disease in 2013-14 was 44,250 and this made up 8% of the total number of workers who experienced an injury or disease in Australia. The accommodation and food services industry ("the industry") recorded an incidence rate of 58.6 injuries and diseases per 1000 workers, which is 38% higher than the incidence rate for all Australian workers. This placed the industry as having the fifth-highest incidence rate of injuries and diseases out of the 19 Australian industries.

In contrast to workplace injuries, the industry had only 34 fatalities from 2003 to 2013 and this placed the industry as having the fourth-lowest fatality rate out of the same 19 Australian industries during abovementioned timeframe. Notwithstanding this, Occupational Health & Safety issues that include workplace accidents, injuries, fatalities and diseases are collectively assessed to be material in relation to the Group's hotel business in Perth as it should be considered in the context of their severity that could potentially threaten the well being of each and every employee.

Key Performance Indicators

The Group is committed to collaborate with Duxton Hotel Perth to develop the internal process and system for collecting and analyzing key performance data for the material ESG factors relating to performance period from 1 February 2019 to 31 January 2020 and also including their targets for period from 1 February 2020 to 31 January 2021 for FY2020 as shown below:

1 **Occupational Health and Safety**

Health and Safety	Unit of Measurement
Workplace Injuries	Number
Fatalities	Number
Occupational Diseases	Number

2 **Customer Health and Safety**

Health and Safety	Unit of Measurement
Fatalities involving hotel guests	Number
Injuries involving hotel guests	Number
Disease cases involving hotel guests	Number
Incidents of hotel security breaches.	Number
Number and amount of penalties levied due to hotel security breaches.	Number /& AUD or USD

Building upon these actions plan for Duxton Hotel Perth, the Board will start to communicate and work with Duxton Hotel Perth to understand and gather all relevant information pertaining to the sustainability practices and efforts that are currently being put in place to address abovementioned material ESG factors for the purpose of FY2020 Sustainability Report.

The Board will also incorporate these key sustainability issues as part of its strategic formulation for the hotel operation in Perth and at the same time start building the sustainability framework and process for all overseas business operations that the Company may establish in future years.

DIRECTORS' STATEMENT

For the financial year ended 31 January 2019

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 January 2019 and the statement of financial position of the Company as at 31 January 2019.

In the opinion of the Directors,

(a) the accompanying financial statements of the Group and the statement of financial position 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 January 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of Directors

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

Low Keng Boon @ Lau Boon Sen
Dato' Marco Low Peng Kiat
Low Poh Kuan
Lee Han Yang
Lucas Liew Kim Voon
Jimmy Yim Wing Kuen
Chris Chia Woon Liat *(Appointed on 12 September 2018)*
Michael Leong Choon Fai *(Appointed on 7 December 2018)*
Cheo Chai Hong *(Appointed on 7 December 2018)*

Mr Lee Han Yang, Mr Lucas Liew Kim Voon, Mr Jimmy Yim Wing Kuen, Mr Chris Chia Woon Liat, Mr Michael Leong Choon Fai and Mr Cheo Chai Hong are Independent and Non-Executive Directors.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the Directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director or nominee		Holdings in which a Director is deemed to have an interest	
Name of Director	As at 1.2.2018 or date of appointment, if later	**As at 31.1.2019**	As at 1.2.2018 or date of appointment, if later	**As at 31.1.2019**
	Number of ordinary shares			
The Company -				
Low Keng Huat (Singapore) Limited				
Low Keng Boon @ Lau Boon Sen	52,773,806	**52,773,806**	23,000,000	**23,000,000**
Dato' Marco Low Peng Kiat	300,000	**300,000**	399,945,345	**399,945,345**
Low Poh Kuan	1,998,000	**1,998,000**	–	**–**
Lee Han Yang	–	**–**	480,000	**480,000**
Lucas Liew Kim Voon	456,000	**456,000**	–	**–**
Jimmy Yim Wing Kuen	200,000	**200,000**	120,000	**120,000**
Michael Leong Choon Fai [(1)]	100,000	**100,000**	–	**–**
	Number of ordinary shares of RM1.00 each			
Ultimate holding company -				
Consistent Record Sdn Bhd				
Dato' Marco Low Peng Kiat	16	**16**	–	**–**

(1) Michael Leong Choon Fai was appointed on 7 December 2018

Dato' Marco Low Peng Kiat, by virtue of the provisions of Section 7 of the Singapore Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of the Company and all the joint ventures and associate companies in which the Company has 20% or more equity interest.

Mr Jimmy Yim Wing Kuen's direct interest of 200,000 ordinary shares of the Company was transferred to deemed interest as at 21 February 2019. With the exception of Mr Jimmy Yim Wing Kuen, all the other directors' interests in the ordinary shares of the Company as at 21 February 2019 were the same as those as at 31 January 2019.

Share option scheme

No options to take up unissued shares of the Company or any subsidiary have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Jimmy Yim Wing Kuen (Chairman) – appointed on 25 March 2019
Chris Chia Woon Liat – appointed on 12 September 2018
Cheo Chai Hong – appointed on 7 December 2018

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing these functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2019 as well as the auditor's report thereon;

(iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

(v) 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 Audit Committee;

(vi) 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;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) 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;

(x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

Audit Committee (Cont'd)

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the "Corporate Governance" section of the annual report.

In appointing our auditors for the Company, subsidiaries, associates and joint ventures, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

LOW KENG BOON @ LAU BOON SEN

DATO' MARCO LOW PENG KIAT

Dated: 6 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Low Keng Huat (Singapore) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Low Keng Huat (Singapore) Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 January 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position 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)s) 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 January 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties	The Group has significant mixed development (comprises residential and commercial retails units) and residential development properties that are for sale in its core market – Singapore.	The Group had engaged independent professional external valuers (management's expert) to determine whether there was any need to write-down the value of development properties in accordance with SFRS(I) 1-2 *Inventories*. We assessed the competency, capability and objectivity of the management's expert and read the terms of their engagement with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Net realisable value of development properties (Cont'd)	Development properties for sale are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices. Furthermore, there is a possible risk of understatement of project costs where work has been completed up to certain stage but liabilities owing to contractors or suppliers have not been recorded up to that stage. In addition, project costs may not be accurately or appropriately recorded.	We also engaged our independent auditor's expert to assess the valuation determined by the management's expert. We assessed the competency, capability and objectivity of the auditor's expert. We considered the valuation methodologies used for similar property types. We compared the management's expert's underlying assumptions on estimated selling prices to market comparables. In relation to actual costs incurred to date, we agreed the related costs incurred to suppliers' invoices or contracts with suppliers. For estimated total contract costs, we: ● discussed with the project managers to assess the reasonableness of estimated total contract costs; ● evaluated management's underlying assumptions made using our understanding of past completed projects; and ● agreed the cost to complete for each contract by substantiating costs that have been committed to quotations from and contracts with suppliers. We considered the adequacy of the Group's disclosure about the uncertainties of the carrying values of the development properties.

Key Audit Matters (Cont'd)

Key audit matter	Risk	Our responses and work performed
Impairment of property, plant and equipment	As at 31 January 2019, the Group's property, plant and equipment amounted to $256.0 million. The Group's property, plant and equipment are mainly held by the Company, Balestier Tower Pte. Ltd., Perumal Development Pte. Ltd., Paya Lebar Square Pte. Ltd. and Amuret Pty Ltd. Due to the uncertain global economic environment and low occupancy rate of the Group's hotel in Perth, there are higher inherent risk relating to the impairment of property, plant and equipment in Singapore and Perth. The impairment testing performed on the Group's property, plant and equipment is considered to be a key audit matter due to the significant judgement required in determining the assumptions to be used to estimate the recoverable amount of the cash-generating unit, which is based on the higher of the value-in-use or fair value less costs to sell.	We have identified the impairment of property, plant and equipment to be a significant risk in our audit. The Group engaged independent professional valuation firms to carry out valuations on the leasehold properties in Singapore and freehold property in Perth based on the properties' highest-and-best use. These were performed on the basis of open market values to determine the fair value, which was adjusted for in the accounts as impairment loss should the fair value be lower than the carrying amount. We evaluated whether the management's experts in Singapore and Perth had the necessary competence, capability and objectivity for the required purposes. We reviewed the adequacy of the work performed, including significant judgement, estimates and assumptions used by the valuers in arriving at the valuation amounts. We assessed the valuation method and assumptions used by management's expert by involving our own valuation expert for the properties in Singapore. We also assessed the competency, capability and objectivity of the auditor's expert. We assessed the estimated recoverable value of the properties, which was the higher of fair value less costs of disposal and value in use. We also considered the adequacy of the Group's disclosures in relation to impairment of these fixed assets.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and Corporate Governance section of the annual report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report (Other Sections) which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 SFRS(I)s, 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.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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 companies 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 Tei Tong Huat.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 6 May 2019

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2019

The Group	Note	**31 January 2019** $'000	31 January 2018 (restated) $'000	1 February 2017 (restated) $'000
ASSETS				
Current Assets				
Cash and cash equivalents	3	**116,259**	134,045	250,574
Fixed deposits	4	**9,051**	5,365	16,221
Financial assets, at FVPL	5	**5,156**	5,949	5,097
Trade and other receivables	6	**60,502**	13,154	32,641
Contract assets	8	**3,133**	10,345	57,614
Inventories	9	**352**	379	420
Completed development properties for sale	10(a)	**–**	–	7,932
Development properties	10(b)	**267,376**	256,921	107,454
		461,829	426,158	477,953
Non-Current Assets				
Financial assets, available-for-sale	11	**–**	50,810	51,701
Financial assets, at FVOCI	12	**35,258**	–	–
Other investments, at amortised cost	13	**32,000**	32,000	32,000
Trade and other receivables	6	**157**	235	–
Joint ventures	14	**90,209**	91,745	91,104
Associate companies	15	**66,136**	53,203	50,826
Investment properties	17	**271,188**	274,331	309,999
Property, plant and equipment	18	**255,972**	228,074	137,191
Deferred tax assets	19	**370**	402	332
		751,290	730,800	673,153
Total Assets		**1,213,119**	1,156,958	1,151,106
LIABILITIES				
Current Liabilities				
Trade and other payables	20	**24,031**	24,743	31,624
Amount owing to joint ventures (non-trade)	21	**446**	434	470
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	22	**1,413**	434	440
Provision for directors' fee		**259**	245	245
Provision	23	**24**	46	77
Current tax payable		**4,966**	5,504	3,388
Bank borrowings	24	**106,089**	126,089	7,200
		137,228	157,495	43,444

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2019

The Group	Note	**31 January 2019** **$'000**	31 January 2018 (restated) $'000	1 February 2017 (restated) $'000
Non-Current Liabilities				
Bank borrowings	24	**341,108**	246,995	353,084
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	22	**43,129**	53,310	58,157
Deferred tax liabilities	19	**2,817**	2,860	2,163
		387,054	303,165	413,404
Total Liabilities		**524,282**	460,660	456,848
NET ASSETS		**688,837**	696,298	694,258
EQUITY				
Capital and Reserves				
Share capital	25	**161,863**	161,863	161,863
Capital reserve	26	**(2,005)**	(2,005)	(2,005)
Fair value reserve	27	**7,287**	16,843	7,764
Retained profits		**490,053**	487,484	499,273
Currency translation reserve	28	**(1,982)**	(103)	–
		655,216	664,082	666,895
Non-Controlling Interests		**33,621**	32,216	27,363
Total Equity		**688,837**	696,298	694,258

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2019

The Company	Note	**31 January 2019 $'000**	31 January 2018 (restated) $'000	1 February 2017 (restated) $'000
ASSETS				
Current Assets				
Cash and cash equivalents	3	**74,944**	80,482	215,355
Trade and other receivables	6	**4,080**	19,999	13,364
Amount owing by subsidiaries (non-trade)	7(a)	**9,260**	–	–
Contract assets	8	**2,676**	2,288	1,413
		90,960	102,769	230,132
Non-Current Assets				
Financial assets, available-for-sale	11	**–**	1,730	1,433
Financial assets, at FVOCI	12	**1,661**	–	–
Joint ventures	14	**93,163**	95,804	92,536
Associate companies	15	**56**	56	56
Subsidiaries	16	**462,539**	476,652	288,256
Investment properties	17	**18,215**	18,414	18,613
Property, plant and equipment	18	**5,392**	5,176	5,521
		581,026	597,832	406,415
Total Assets		**671,986**	700,601	636,547
LIABILITIES				
Current Liabilities				
Trade and other payables	20	**16,595**	16,380	21,171
Amount owing to subsidiaries (non-trade)	7(b)	**67,945**	74,787	55,855
Amount owing to joint ventures (non-trade)	21	**197**	197	197
Provision for directors' fee		**259**	245	245
Current tax payable		**473**	1,590	303
Bank borrowings	24	**–**	20,000	–
		85,469	113,199	77,771
NET ASSETS		**586,517**	587,402	558,776
EQUITY				
Capital and Reserves				
Share capital	25	**161,863**	161,863	161,863
Fair value reserve	27	**906**	975	713
Retained profits		**423,748**	424,564	396,200
Total Equity		**586,517**	587,402	558,776

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2019

The Group	Note	**Year ended 31 January 2019 $'000**	Year ended 31 January 2018 (restated) $'000
Revenue	29,40	**171,396**	72,669
Cost of sales	34	**(138,293)**	(42,869)
Gross profit		**33,103**	29,800
Other operating income	30	**12,482**	21,178
Distribution costs		**(6,893)**	(2,484)
Administrative costs	31	**(9,116)**	(7,482)
Other operating expenses	32	**(2,420)**	(8,263)
Finance costs	33	**(7,712)**	(7,078)
Share of results of joint ventures and associates		**2,067**	(2,766)
Profit before taxation	34	**21,511**	22,905
Taxation	35	**(2,765)**	(3,947)
Total profit for the year		**18,746**	18,958
Other comprehensive income/(expense) after tax:			
Items that may be reclassified subsequently to profit or loss			
Fair value gain on financial assets, available-for-sale	27	**–**	10,344
Fair value gain recycled to profit or loss on de-recognition	27	**–**	(3,290)
Financial assets, available-for-sale – reclassified to profit or loss account	27,32,34	**–**	2,025
Exchange differences on translation of the financial statements of foreign entities		**(1,879)**	(105)
		(1,879)	8,974
Items that will not be reclassified subsequently to profit or loss			
Fair value loss on financial assets, at FVOCI (net of tax at Nil%)	12, 27	**(7,682)**	–
Exchange differences on translation of the financial statements of foreign entities		**(753)**	(25)
Other comprehensive income/(expense) for the year, net of tax		**(10,314)**	8,949
Total comprehensive income/(expense) for the year		**8,432**	27,907
Profit attributable to:			
Owners of the parent		**15,447**	17,763
Non-controlling interests		**3,299**	1,195
		18,746	18,958
Total comprehensive income attributable to:			
Owners of the parent		**5,886**	26,737
Non-controlling interests		**2,546**	1,170
		8,432	27,907
Earnings per share (cents)			
- Basic	36	**2.09**	2.40
- Diluted	36	**2.09**	2.40

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2019

The Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Retained profits $'000	Currency translation reserve $'000	Total attributable to owners of the parent $'000	Non-controlling interests $'000	Total $'000
	← Attributable to equity holders of the Company →							
Balance at 1 February 2017, as previously reported	161,863	(2,005)	7,764	497,239	2,034	666,895	27,363	694,258
Effect of adoption of SFRS(I) 1 [Note 2 (b)]	–	–	–	2,034	(2,034)	–	–	–
Balance at 1 February 2017, as restated	161,863	(2,005)	7,764	499,273	–	666,895	27,363	694,258
Profit for the year	–	–	–	17,763	–	17,763	1,195	18,958
Other comprehensive income/ (expense) for the year	–	–	9,079	–	(105)	8,974	(25)	8,949
Total comprehensive income/ (expense) for the year	–	–	9,079	17,763	(105)	26,737	1,170	27,907
Dividends paid in respect of financial year ended 31 January 2017 (Note 38)	–	–	–	(29,552)	–	(29,552)	(1,960)	(31,512)
Reserves arising from non-interest bearing loans from non-controlling shareholders	–	–	–	–	2	2	5,643	5,645
Total transaction with owners, recognised directly in equity	–	–	–	(29,552)	2	(29,550)	3,683	(25,867)
Balance at 31 January 2018	161,863	(2,005)	16,843	487,484	(103)	664,082	32,216	696,298
Profit for the year	**–**	**–**	**–**	**15,447**	**–**	**15,447**	**3,299**	**18,746**
Other comprehensive income/ (expense) for the year	**–**	**–**	**(7,682)**	**–**	**(1,879)**	**(9,561)**	**(753)**	**(10,314)**
Total comprehensive income/ (expense) for the year	**–**	**–**	**(7,682)**	**15,447**	**(1,879)**	**5,886**	**2,546**	**8,432**
Transfer upon disposal of financial assets, at FVOCI (Note 27)	**–**	**–**	**(1,874)**	**1,874**	**–**	**–**	**–**	**–**
Dividends paid in respect of financial year ended 31 January 2018 (Note 38)	**–**	**–**	**–**	**(14,776)**	**–**	**(14,776)**	**(998)**	**(15,774)**
Reserves arising from non-interest bearing loans from non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(124)**	**(124)**
Transaction with non-controlling interests	**–**	**–**	**–**	**24**	**–**	**24**	**(24)**	**–**
Effect on issuance of shares to a non-controlling interest of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**5**	**5**
Total transaction with owners, recognised directly in equity	**–**	**–**	**(1,874)**	**(12,878)**	**–**	**(14,752)**	**(1,141)**	**(15,893)**
Balance at 31 January 2019	**161,863**	**(2,005)**	**7,287**	**490,053**	**(1,982)**	**655,216**	**33,621**	**688,837**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2019

The Group	Note	**Year ended 31 January 2019 $'000**	Year ended 31 January 2018 (restated) $'000
Cash Flows from Operating Activities			
Profit before taxation		**21,511**	22,905
Adjustments for:			
Share of results of joint ventures and associate companies		**(2,067)**	2,766
Depreciation of:			
- Investment properties	17, 34	**2,967**	2,973
- Property, plant and equipment	18, 34	**1,786**	2,060
Gain on disposal of:			
- Joint ventures	14,30,34	**–**	(11)
- Property, plant and equipment	30,34	**(2,669)**	(19)
Impairment loss on:			
- Property, plant and equipment	18,32,34	**–**	15
- Receivables	32,34	**82**	–
Impairment loss no longer required for:			
- Investment properties	17,30,34	**–**	(6,913)
- Receivables	6, 30,34	**–**	(151)
Bad debts written off	6, 32	**3**	98
Financial assets, available-for-sale - reclassified to profit or loss	27,32,34	**–**	2,025
Fair value gain on financial assets at FVPL	5,30,32,34	**793**	(852)
Fair value gain recycled from fair value reserve on derecognition	27	**–**	(3,290)
Property, plant and equipment written off	18,32,34	**4**	10
Provision no longer required	23,34	**(17)**	(4)
Interest expense	33	**7,712**	7,078
Interest income	30	**(5,075)**	(6,977)
Operating profit before working capital changes		**25,030**	21,713
(Increase)/Decrease in inventories		**(75)**	41
(Increase)/Decrease in development properties		**(10,454)**	(148,474)
(Increase)/Decrease in contract assets		**7,212**	47,269
(Increase)/Decrease in operating receivables		**(50,651)**	72,291
Increase/(Decrease) in operating payables		**(48)**	(2,724)
Cash generated from/(used in) operations		**(28,986)**	(9,884)
Interest paid		**(6,559)**	(8,461)
Income tax paid		**(3,276)**	(1,178)
Net cash generated from/(used in) operating activities		**(38,821)**	(19,523)
Balance carried forward		**(38,821)**	(19,523)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2019

The Group (Cont'd)	Note	**Year ended 31 January 2019 $'000**	Year ended 31 January 2018 (restated) $'000
Balance brought forward		**(38,821)**	(19,523)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	Note A	**(30,666)**	(93,520)
Acquisition of investment properties	17	**(190)**	(2,630)
Acquisition of quoted equity investments	5,11	**–**	(844)
Proceed from disposal of quoted equity investments	5,11,12	**7,870**	12,042
Interest received		**5,075**	4,570
Increase/(Decrease) in fixed deposit with maturity more than three months		**34**	(44)
Capital contribution made towards an associate company		**(400)**	–
Dividend from joint ventures and associate companies		**1,779**	–
Advances and loans made to joint ventures and associate companies		**(12,545)**	(3,566)
Proceeds from disposal of joint venture	14(6)	**300**	–
Loan repayment from joint ventures and associate companies		**2,254**	–
Proceeds from disposal of property, plant and equipment		**1,447**	152
Net cash generated from/(used in) investing activities		**(25,042)**	(83,840)
Cash Flows from Financing Activities			
Dividends paid to shareholders of the Company	38	**(14,776)**	(29,552)
Dividend paid to a non-controlling shareholder of a subsidiary		**(998)**	(1,960)
Capital contribution from non-controlling shareholders of a subsidiary		**5**	–
Proceeds from loans from non-controlling shareholders of a subsidiary		**474**	–
Repayment of loans from non-controlling shareholders of a subsidiary		**(9,766)**	–
Proceeds from bank borrowings		**223,448**	71,500
Repayment of bank borrowings		**(149,335)**	(58,700)
Fixed deposit pledged		**(3,720)**	10,900
Net cash generated from/(used in) financing activities	Note B	**45,332**	(7,812)
Net increase/(decrease) in cash and cash equivalents		**(18,531)**	(111,175)
Cash and cash equivalents at beginning of year		**134,045**	250,574
Exchange differences on translations of cash and cash equivalents at beginning of year		**745**	(5,354)
Cash and cash equivalents at end of year	3	**116,259**	134,045

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

A. Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $32,094,000 (2018 - $93,520,000). $1,428,000 (2018 - $Nil) remains unpaid to suppliers of property, plant and equipment at the end of the financial year. Cash payment of $30,666,000 (2018 - $93,520,000) were made to purchase property, plant and equipment.

B. Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

			Cash flows		**Non-cash changes**				
	Note	31 January 2018 $'000	**Proceeds $'000**	**Repayments $'000**	**Transfer to capital reserve $'000**	**Notional interest charged $'000**	**Foreign exchange movement $'000**	**Others $'000**	**31 January 2019 $'000**
Loans from non-controlling interest shareholders of a subsidiary	22	53,310	**–**	**(9,766)**	**124**	**474**	**–**	**–**	**44,142**
Advances from non-controlling interest of subsidiary	22	434	**–**	**–**	**–**	**–**	**(34)**	**–**	**400**
Bank borrowings	24	373,084	**223,448**	**(149,335)**	**–**	**–**	**–**	**–**	**447,197**

			Cash flows		Non-cash changes				
	Note	1 February 2017 $'000	Proceeds $'000	Repayments $'000	Transfer to capital reserve $'000	Notional interest charged $'000	Foreign exchange movement $'000	Others $'000	31 January 2018 $'000
Loans from non-controlling interest shareholders of a subsidiary	22	58,157	–	–	(5,643)	984	–	(188)	53,310
Advances from non-controlling interest of subsidiary	22	440	–	–	–	–	(6)	–	434
Bank borrowings	24	360,284	71,500	(58,700)	–	–	–	–	373,084

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

Low Keng Huat (Singapore) Limited ("Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269.

The principal activities of the Group are those of property development, hotels and investment holding. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

The Company's immediate and ultimate holding company is Consistent Record Sdn. Bhd., a company incorporated in Malaysia.

2(a) Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(d).

2(b) Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 February 2018. These financial statements for the year ended 31 January 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 January 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 February 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 January 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 February 2017, which was the Group's date of transition to SFRS(I) ("date of transition").

2(b) Adoption of SFRS(I) (Cont'd)

(i) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(a) Business combinations

SFRS(I) 3 Business Combinations has not been applied to business combinations that occurred before the date of transition on 1 February 2017. The same classification as in its previous SFRS financial statements has been adopted.

The Group has not applied SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 February 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(b) Cumulative translation differences

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 February 2017.

(c) Leases

The Group has not reassessed the determination of whether an arrangement contained a lease in accordance with SFRS(I) INT 4 Determining whether an Arrangement contains a Lease.

(d) Borrowing costs

The Group has elected to apply the requirements in the SFRS(I) 1-23 Borrowing Costs from the date of transition to SFRS(I) on 1 February 2017. Borrowing costs that were accounted for previously under SFRS prior to date of transition are not restated.

(e) Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 February 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 31 January 2018. The Group is also exempted from complying with SFRS(I) 7 Financial Instruments: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

2(b) Adoption of SFRS(I) (Cont'd)

(i) Optional exemptions applied (Cont'd)

(f) Practical expedients on adoption of SFRS(I) 15 Revenue from Contracts with Customers

The Group has elected to apply the transitional provisions under paragraph B1 of SFRS(I) 15 at 1 February 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;
- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications; and
- for the financial year ended 31 January 2018, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

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2(b) Adoption of SFRS(I) (Cont'd)

(ii) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)

	Note	As at 31 Jan 2018 reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	As at 31 Jan 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 Feb 2018 reported under SFRS(I) $'000
ASSETS							
Current Assets							
Cash and cash equivalents		134,045	–	–	134,045	–	134,045
Fixed deposits		5,365	–	–	5,365	–	5,365
Financial assets, at FVPL		5,949	–	–	5,949	–	5,949
Trade and other receivables	B1	23,499	–	(10,345)	13,154	–	13,154
Contract assets	B1	–	–	10,345	10,345	–	10,345
Inventories		379	–	–	379	–	379
Development properties	B2(ii)	258,481	–	(1,560)	256,921	–	256,921
		427,718	–	(1,560)	426,158	–	426,158
Non-Current Assets							
Financial assets, available-for-sale	C1	50,810	–	–	50,810	(50,810)	–
Financial assets, at FVOCI	C1	–	–	–	–	50,810	50,810
Other investments at amortised cost		32,000	–	–	32,000	–	32,000
Joint ventures		91,745	–	–	91,745	–	91,745
Associate companies		53,203	–	–	53,203	–	53,203
Investment properties		274,331	–	–	274,331	–	274,331
Property, plant and equipment		228,074	–	–	228,074	–	228,074
Trade and other receivables		235	–	–	235	–	235
Deferred tax assets		402	–	–	402	–	402
		730,800	–	–	730,800	–	730,800
Total Assets		1,158,518	–	(1,560)	1,156,958	–	1,156,958

2(b) Adoption of SFRS(I) (Cont'd)

(ii) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) (Cont'd)

	Note	As at 31 Jan 2018 reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	As at 31 Jan 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 Feb 2018 reported under SFRS(I) $'000
LIABILITIES							
Current Liabilities							
Trade and other payables		24,743	–	–	24,743	–	24,743
Amount owing to joint ventures (non-trade)		434	–	–	434	–	434
Amount owing to a non-controlling shareholder of a subsidiary (non-trade)		434	–	–	434	–	434
Provision for directors' fee		245	–	–	245	–	245
Provisions		46	–	–	46	–	46
Current tax payable		5,504	–	–	5,504	–	5,504
Bank borrowings		126,089	–	–	126,089	–	126,089
		157,495	–	–	157,495	–	157,495
Non-Current Liabilities							
Bank borrowings		246,995	–	–	246,995	–	246,995
Amount owing to non-controlling shareholders of subsidiaries (non-trade)		53,310	–	–	53,310	–	53,310
Deferred tax liabilities		2,860	–	–	2,860	–	2,860
		303,165	–	–	303,165	–	303,165
Total Liabilities		460,660	–	–	460,660	–	460,660
NET ASSETS		697,858	–	(1,560)	696,298	–	696,298
EQUITY							
Capital and Reserves							
Share capital		161,863	–	–	161,863	–	161,863
Capital reserve		(2,005)	–	–	(2,005)	–	(2,005)
Fair value reserve		16,843	–	–	16,843	–	16,843
Retained profits	A1,B2(ii)	486,237	2,034	(787)	487,484	–	487,484
Currency translation reserve	A1	1,931	(2,034)	–	(103)	–	(103)
		664,869	–	(787)	664,082	–	664,082
Non-Controlling Interests	B2(ii)	32,989	–	(773)	32,216	–	32,216
Total Equity		697,858	–	(1,560)	696,298	–	696,298

2(b) Adoption of SFRS(I) (Cont'd)

(ii) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) (Cont'd)

As at 1 February 2017	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
ASSETS					
Current Assets					
Cash and cash equivalents		250,574	–	–	250,574
Fixed deposits		16,221	–	–	16,221
Financial assets, at FVPL		5,097	–	–	5,097
Trade and other receivables	B1	90,255	–	(57,614)	32,641
Contract assets	B1	–	–	57,614	57,614
Inventories		420	–	–	420
Completed development properties for sale		7,932	–	–	7,932
Development properties		107,454	–	–	107,454
		477,953	–	–	477,953
Non-Current Assets					
Financial assets, available-for-sale		51,701	–	–	51,701
Other investments at amortised cost		32,000	–	–	32,000
Joint ventures		91,104	–	–	91,104
Associate companies		50,826	–	–	50,826
Investment properties		309,999	–	–	309,999
Property, plant and equipment		137,191	–	–	137,191
Deferred tax assets		332	–	–	332
		673,153	–	–	673,153
Total assets		1,151,106	–	–	1,151,106

2(b) Adoption of SFRS(I) (Cont'd)

(ii) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) (Cont'd)

As at 1 February 2017	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
LIABILITIES					
Current Liabilities					
Trade and other payables		31,624	–	–	31,624
Amount owing to joint ventures (non-trade)		470	–	–	470
Amount owing to a non-controlling shareholder of a subsidiary (non-trade)		440	–	–	440
Provision for directors' fee		245	–	–	245
Provisions		77	–	–	77
Current tax payable		3,388	–	–	3,388
Bank borrowings		7,200	–	–	7,200
		43,444	–	–	43,444
Non-Current Liabilities					
Bank borrowings		353,084	–	–	353,084
Amount owing to non-controlling shareholders of subsidiaries (non-trade)		58,157	–	–	58,157
Deferred tax liabilities		2,163	–	–	2,163
		413,404	–	–	413,404
Total Liabilities		456,848	–	–	456,848
NET ASSETS		694,258	–	–	694,258
EQUITY					
Capital and Reserves					
Share capital		161,863	–	–	161,863
Capital reserve		(2,005)	–	–	(2,005)
Fair value reserve		7,764	–	–	7,764
Retained profits	A1	497,239	2,034	–	499,273
Currency translation reserve	A1	2,034	(2,034)	–	–
		666,895	–	–	666,895
Non-Controlling Interests		27,363	–	–	27,363
Total Equity		694,258	–	–	694,258

2(b) Adoption of SFRS(I) (Cont'd)

(iii) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS to SFRS(I)

For the financial year ended 31 January 2018	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
Revenue		72,669	–	–	72,669
Cost of sales	B2(ii)	(43,224)	–	355	(42,869)
Gross profit		29,445	–	355	29,800
Other operating income	B2(ii)	21,185	–	(7)	21,178
Distribution costs		(2,484)	–	–	(2,484)
Administrative costs		(7,482)	–	–	(7,482)
Other operating expenses		(8,263)	–	–	(8,263)
Finance costs	B2(ii)	(5,170)	–	(1,908)	(7,078)
Share of results of joint ventures and associates		(2,766)	–	–	(2,766)
Profit before taxation		24,465	–	(1,560)	22,905
Taxation		(3,947)	–	–	(3,947)
Total profit for the year		20,518	–	(1,560)	18,958
Other comprehensive income/(expense) after tax:					
Items that may be reclassified subsequently to profit or loss:					
Fair value gain on financial assets, available-for-sale		10,344	–	–	10,344
Fair value gain recycled to profit or loss on derecognition		(3,290)	–	–	(3,290)
Financial assets, available-for-sale – reclassified to profit or loss account		2,025	–	–	2,025
		9,079	–	–	9,079
Items that will not be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign entities (net)		(130)	–	–	(130)
Other comprehensive income/(expense) for the year, net of tax		8,949	–	–	8,949
Total comprehensive income/(expense)		29,467	–	(1,560)	27,907
Profit attributable to:					
Owners of the parent	B2(ii)	18,550	–	(787)	17,763
Non-controlling interests	B2(ii)	1,968	–	(773)	1,195
		20,518	–	(1,560)	18,958
Total comprehensive income/(expense) attributable to:					
Owners of the parent	B2(ii)	27,524	–	(787)	26,737
Non-controlling interests	B2(ii)	1,943	–	(773)	1,170
		29,467	–	(1,560)	27,907
Earnings per share (cents):					
Basic/diluted		2.51	–	(0.11)	2.40

2(b) Adoption of SFRS(I) (Cont'd)

(iv) Reconciliation of the Group's statement of cash flows reported in accordance with SFRS to SFRS(I)

For the financial year ended 31 January 2018	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
Cash Flows from Operating Activities					
Profit before taxation	B2(ii)	24,465	–	(1,560)	22,905
Adjustments for:					
Share of results of joint ventures and associate companies		2,766	–	–	2,766
Depreciation of:					
- Investment properties		2,973	–	–	2,973
- Property, plant and equipment		2,060	–	–	2,060
Gain on disposal of:					
- Joint ventures		(11)	–	–	(11)
- Property, plant and equipment		(19)	–	–	(19)
Impairment loss on:					
- Property, plant and equipment		15	–	–	15
Impairment loss no longer required for:					
- Investment properties		(6,913)	–	–	(6,913)
- Receivables		(151)	–	–	(151)
Bad debts written off		98	–	–	98
Financial assets, available-for-sale – reclassified to profit or loss		2,025	–	–	2,025
Fair value gain on financial assets at FVPL		(852)	–	–	(852)
Fair value gain recycled from fair value reserve on derecognition		(3,290)	–	–	(3,290)
Property, plant and equipment written off		10	–	–	10
Provisions no longer required		(4)	–	–	(4)
Interest expense	B2(ii)	5,170	–	1,908	7,078
Interest income		(6,977)	–	–	(6,977)
Operating profit before working capital changes		21,365	–	348	21,713
(Increase)/Decrease in inventories and construction work-in-progress	B1	42,290	–	(42,249)	41
(Increase)/Decrease in development properties	B1; B2(ii)	(143,106)	–	(5,368)	(148,474)
(Increase)/Decrease in contract assets	B1	–		47,269	47,269
(Increase)/Decrease in operating receivables		72,291	–	–	72,291
Increase/(Decrease) in operating payables		(2,724)	–	–	(2,724)
Cash generated from/(used in) operations		(9,884)	–	–	(9,884)
Interest paid		(8,461)	–	–	(8,461)
Income tax paid		(1,178)	–	–	(1,178)
Net cash generated from/(used in) operating activities		(19,523)	–	–	(19,523)
Balance carried forward		(19,523)	–	–	(19,523)

2(b) Adoption of SFRS(I) (Cont'd)

(iv) Reconciliation of the Group's statement of cash flows reported in accordance with SFRS to SFRS(I) (Cont'd)

For the financial year ended 31 January 2018 (Cont'd)	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
Balance brought forward		(19,523)	–	–	(19,523)
Cash Flows from Investing Activities					
Acquisition of property, plant and equipment		(93,520)	–	–	(93,520)
Acquisition of investment properties		(2,630)	–	–	(2,630)
Acquisition of quoted equity investments		(844)	–	–	(844)
Proceed from disposal of quoted equity investments		12,042	–	–	12,042
Interest received		4,570	–	–	4,570
Increase/(Decrease) in fixed deposit with maturity more than three months		(44)	–	–	(44)
Advances and loans made to joint ventures and associate companies		(3,566)	–	–	(3,566)
Proceeds from disposal of property, plant and equipment		152	–	–	152
Net cash generated from/(used in) investing activities		(83,840)	–	–	(83,840)
Cash Flows from Financing Activities					
Dividends paid to shareholders of the Company		(29,552)	–	–	(29,552)
Dividend paid to a non-controlling shareholder of a subsidiary		(1,960)	–	–	(1,960)
Proceeds from bank borrowings		71,500	–	–	71,500
Repayment of bank borrowings		(58,700)	–	–	(58,700)
Fixed deposit pledged		10,900	–	–	10,900
Net cash generated from/(used in) financing activities		(7,812)	–	–	(7,812)
Net increase/(decrease) in cash and cash equivalents		(111,175)	–	–	(111,175)
Cash and cash equivalents at beginning of year		250,574	–	–	250,574
Exchange differences on translations of cash and cash equivalents at beginning of year		(5,354)	–	–	(5,354)
Cash and cash equivalents at end of year		134,045	–	–	134,045

2(b) Adoption of SFRS(I) (Cont'd)

Explanatory notes to reconciliations:

The effects of transition to SFRS(I) mainly arises from the optional exemptions provided for under SFRS(I) 1 and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers* which are as follows:

A. Adoption of SFRS(I) 1

Optional exemptions

As disclosed in Note 2(b)(i), the Group has applied certain exemptions in preparing this first set of financial statements in accordance with SFRS(I). There were no material adjustment to the Group's equity, total comprehensive income and statement of cash flows arising from the transition from SFRS to SFRS(I) except as disclosed below:

A1 Cumulative translation differences

As disclosed in Note 2(b)(i)(b), the Group has elected to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to SFRS(I) on 1 February 2017. As a result, retained earnings and currency translation reserves as at 1 February 2017 was increased and reduced by $2,034,000 respectively.

B. Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively. As disclosed in Note 2(b)(i)(f), the Group has also elected to apply the transition provisions under paragraph C of the SFRS(I) 15 at 1 February 2017.

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

B1 Presentation of contract assets and contract liabilities

The Group has changed the presentation of certain amounts in the balance sheet as at 1 February 2017 and 31 January 2018 on adopting SFRS(I) 15:

Previously under SFRS, included in trade and other receivables is "accrued billings and accrued receivables" of $10,345,000 as at 31 January 2018 ($57,614,000 as at 1 February 2017) relating to construction contracts is now reclassified as Contract Assets (Note 8).

B2 Accounting for costs to fulfil a contract

SFRS(I) 15 establishes a comprehensive framework for determining whether revenue can be recognise, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

2(b) Adoption of SFRS(I) (Cont'd)

Explanatory notes to reconciliations: (Cont'd)

B. Adoption of SFRS(I) 15 (Cont'd)

B2 Accounting for costs to fulfil a contract (Cont'd)

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

(i) The Group pays sales commission to external property sales agents for securing property sales contracts for the Group on a success basis. The Group has identified that it is affected by the accounting for sales commission incurred in fulfilling a contract where such costs which has previously been expensed are now required to be recognised as an asset under SFRS(I) 15. The Group has considered but noted that the implementation is immaterial.

(ii) Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group ceased capitalisation of borrowing costs at the point when the development properties can be sold.

C. Adoption of SFRS(I) 9

SFRS(I) 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ("ECL") impairment model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 January 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate comparative information for 2018. Accordingly, the information presented for 2017 is presented, as previously reported, under SFRS 39 Financial Instruments: Recognition and Measurement. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 February 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 Financial Instruments: Disclosures for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under SFRS 107 Financial Instruments: Disclosures relating to items within the scope of SFRS 39 are provided for the comparative period.

The accounting policies for financial instruments under SFRS(I) 9 is as disclosed in Note 2(d).

Classification and measurement of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. No reclassifications resulting from management's assessment.

2(b) Adoption of SFRS(I) (Cont'd)

Explanatory notes to reconciliations: (Cont'd)

C. Adoption of SFRS(I) 9 (Cont'd)

Classification and measurement of financial assets and financial liabilities (Cont'd)

The Group's and the Company's opening balance sheet was prepared as at 1 February 2017, which was the Group's and the Company's date of transition to SFRS(I). There were no material impact to the Group's and the Company's balances on adoption of SFRS(I) arising from the application of SFRS(I) 9.

C1 Equity investments reclassified from available-for-sale to FVOCI

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with a fair value of $50,810,000 were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 February 2018.

The following table presents original measurement categories under SFRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's and the Company's financial assets as at 1 February 2018.

The Group and the Company	Original classification under SFRS 39 (Up to financial year ended 31 January 2018)	New classification under SFRS(I) 9 (Effective from 1 February 2018)
Financial assets		
Financial assets, at FVOCI	Financial assets, available-for-sale	Financial assets, at FVOCI
Contract assets	Loan and receivables	Amortised costs
Trade and other receivables	Loan and receivables	Amortised costs
Bank deposits pledged	Loan and receivables	Amortised costs
Cash and cash equivalents	Loan and receivables	Amortised costs

Impairment of financial assets

The Group has the following financial assets subject to the ECL impairment model under SFRS(I) 9:

- trade receivables and contract assets recognised under SFRS(I) 15;
- lease receivables recognised under SFRS(I) 1-17; and
- loans to joint ventures and other receivables at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 2(d) and Note 42.5.

2(b) Adoption of SFRS(I) (Cont'd)

(v) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I)

The Company's opening balance sheet was prepared as at 31 January 2018 and 1 February 2017, which was the Company's date of transition to SFRS(I). There were no material impact to the Company's balances on adoption of SFRS(I), except for the effects arising from the application of SFRS(I) 15 and SFRS(I) 9, as follows:

	Note	As at 31 Jan 2018 reported under SFRS $'000	Effect of applying SFRS(I) 1 $'000	Effect of applying SFRS(I) 15 $'000	As at 31 Jan 2018 reported under SFRS(I) $'000	Effect of applying SFRS(I) 9 $'000	As at 31 Jan 2018 reported under SFRS(I) $'000
ASSETS							
Current Assets							
Cash and cash equivalents		80,482	–	–	80,482	–	80,482
Trade and other receivables	D1	22,287	–	(2,288)	19,999	–	19,999
Contract assets	D1	–	–	2,288	2,288	–	2,288
		102,769	–	–	102,769	–	102,769
Non-Current Assets							
Financial assets, available-for-sale	E1	1,730	–	–	1,730	(1,730)	–
Financial assets, at FVOCI	E1	–	–	–	–	1,730	1,730
Joint ventures		95,804	–	–	95,804	–	95,804
Associate companies		56	–	–	56	–	56
Subsidiaries		476,652	–	–	476,652	–	476,652
Investment properties		18,414	–	–	18,414	–	18,414
Property, plant and equipment		5,176	–	–	5,176	–	5,176
		597,832	–	–	597,832	–	597,832
Total assets		700,601	–	–	700,601	–	700,601
LIABILITIES							
Current Liabilities							
Trade and other payables		16,380	–	–	16,380	–	16,380
Amount owing to subsidiaries (non-trade)		74,787	–	–	74,787	–	74,787
Amount owing to joint ventures (non-trade)		197	–	–	197	–	197
Provision for directors' fee		245	–	–	245	–	245
Current tax payable		1,590	–	–	1,590	–	1,590
Bank borrowings		20,000	–	–	20,000	–	20,000
		113,199	–	–	113,199	–	113,199
NET ASSETS		587,402	–	–	587,402	–	587,402
EQUITY							
Capital and Reserves							
Share capital		161,863	–	–	161,863	–	161,863
Fair value reserve		975	–	–	975	–	975
Retained profits		424,564	–	–	424,564	–	424,564
Total equity		587,402	–	–	587,402	–	587,402

2(b) Adoption of SFRS(I) (Cont'd)

(v) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I) (Cont'd)

As at 1 February 2017	Note	Reported under SFRS $'000	Effect of applying SFRS(I) 1 $'000	Effect of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
ASSETS					
Current Assets					
Cash and cash equivalents		215,355	–	–	215,355
Trade and other receivables	D1	14,068	–	(704)	13,364
Construction work-in-progress	D1	709	–	(709)	–
Contract assets	D1	–	–	1,413	1,413
		230,132	–	–	230,132
Non-Current Assets					
Financial assets, available-for-sale		1,433	–	–	1,433
Joint ventures		92,536	–	–	92,536
Associate companies		56	–	–	56
Subsidiaries		288,256	–	–	288,256
Investment properties		18,613	–	–	18,613
Property, plant and equipment		5,521	–	–	5,521
		406,415	–	–	406,415
Total assets		636,547	–	–	636,547
LIABILITIES					
Current Liabilities					
Trade and other payables		21,171	–	–	21,171
Amount owing to subsidiaries (non-trade)		55,855	–	–	55,855
Amount owing to joint ventures (non-trade)		197	–	–	197
Provision for directors' fee		245	–	–	245
Current tax payable		303	–	–	303
		77,771	–	–	77,771
NET ASSETS		558,776	–	–	558,776
EQUITY					
Capital and Reserves					
Share capital		161,863	–	–	161,863
Fair value reserve		713	–	–	713
Retained profits		396,200	–	–	396,200
Total equity		558,776	–	–	558,776

2(b) Adoption of SFRS(I) (Cont'd)

(v) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I) (Cont'd)

D. Adoption of SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether revenue can be recognise, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

In accordance with the requirements of SFRS(I) 1, the Company adopted SFRS(I) 15 retrospectively.

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

D1 Presentation of contract assets and contract liabilities

The Company has changed the presentation of certain amounts in the balance sheet as at 1 February 2017 and 31 January 2018 on adopting SFRS(I) 15:

(i) Previously under SFRS, "accrued billings" included in trade and other receivables of $2,288,000 as at 31 January 2018 ($704,000 as at 1 February 2017) and construction work in progress of $Nil as at 31 January 2018 ($709,000 as at 1 February 2017) are now reclassified as Contract Assets (Note 8).

E. Adoption of SFRS(I) 9

Classification and measurement of financial assets

For financial assets held by the Company on 1 February 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under the SFRS(I) 9. Material reclassifications resulting from management's assessment are as follows:

E1 Equity investments reclassified from available-for-sale to FVOCI

The Company has elected to recognise changes in fair values of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with a fair value of $1,730,000 were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 February 2018.

Impairment of financial assets

The Company has the following types of financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables and contract assets recognised under SFRS(I) 15; and
- non-interest bearing loans owing by subsidiaries and joint ventures and other receivables at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 2(d) and Note 42.5.

2(c) SFRS issued but not yet effective

The following are the new or amended SFRS and SFRS(I) INT issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 1-19	Plan Amendment, Curtailment or Settlement	1 January 2019
SFRS(I) 3	Business Combination	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020

SFRS(I) 16 Leases

SFRS(I) 16 *Leases* replaces SFRS 17 *Leases* introduced more than 30 years ago it is a major revision in the way lessees recognise leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with SFRS 17. SFRS(I) 16 *Leases* will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Company has adopted SFRS(I) 15.

The Group has performed a preliminary assessment of the new standard SFRS(I) 16 on its existing operating lease arrangements as a lessee. The Group has offices where they have operating leases. Based on the preliminary assessment, the Group expects these operating leases amounting to $384,000 to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. This would increase the gearing ratio of the Group. It is currently impracticable to disclose any further information on the known or reasonable estimated impact to the entity's financial statement. Management does not plan to early adopt the above new SFRS(I) 16.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

SFRS(I) 3 Business Combination

On 11 March 2019, the Accounting Standards Council ("ASC") issued the narrow-scope amendments to SFRS(I) 3 Business Combinations to improve the definition of a business. The amendments narrowed and clarified the definition of a business.

They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets.

The amendments to SFRS(I) 3 should apply for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning or after 1 January 2020, with earlier application permitted.

2(c) SFRS issued but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in SFRS(I) Standards. Materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary user.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

2(d) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) 1 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements in applying accounting policies

Joint ventures (Note 14)

The Group holds 20% to 49% ownership interest of its joint ventures recognised in the consolidated accounts using the equity method in accordance with the percentage owned. Management has assessed that the holdings are joint arrangements as there are contractual arrangement with the parties resulting in the Group having joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. As the joint arrangements provide the Group with rights to the net assets of the arrangements, the arrangements are joint ventures to the Group. Further details are disclosed in Note 14 to the financial statements.

Significant influence over Binakawa Sdn. Bhd. (Note 15)

In Note 15 to the financial statements, Binakawa Sdn. Bhd. is described as an associate of the Group. The Group has significant influence over Binakawa Sdn. Bhd. by virtue of the contractual right to appoint two directors of that company, namely Dato' Marco Low Peng Kiat and Low Poh Kuan. Further details are disclosed in Note 15 to the financial statements. The Group has significant influence, being the power to participate in the financial and operating policy decisions of Binakawa Sdn. Bhd. (but not control or joint control).

2(d) Significant accounting estimates and judgements (Cont'd)

Classification of properties [Notes 10(b) and 17]

The Group determines whether a property is classified as investment property or development property:

- Development properties comprise completed properties for sale, properties for development and properties in the course of development in the ordinary course of business. Principally, these are residential, offices and retail properties that the Group develops and intends to sell before or on completion of construction.

- Investment properties comprise offices and retail units which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

Income tax (Notes 19 and 35)

The Group has exposures to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical accounting estimates and assumptions used in applying accounting policies

Impairment of financial assets [Notes 6, 7(a), 8 and 13]

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL 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-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. 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.

The Group considers a financial asset in default when contractual payments are 90 days 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(d) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

In prior years, the Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The impairment provisions for other financial assets including financial guarantee, intercompany balances and other investments at amortised cost are based on assumptions about risk of default and expected loss rates. The Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The carrying amount of the Group's and the Company's financial assets at the end of the reporting period is disclosed in Notes 6, 7(a), 8 and 13 to the consolidated financial statements.

Impairment of investment in subsidiaries (Note 16)

Determining whether investment in subsidiaries is impaired requires an estimation to the recoverable amounts of the investments in subsidiaries. The recoverable amounts of the investments in subsidiaries are estimated using the "fair value less costs of disposal" approach. Fair value is based on the revalued net assets of subsidiaries. In deriving the revalued net assets of these subsidiaries, the fair values of the underlying assets are estimated based on their expected selling prices and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management has evaluated the recoverability of the investment based on such estimates.

If present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $1,093,000 (2018 - $1,859,000; 1 February 2017 - $2,298,000). The carrying amount of the investment in subsidiaries is disclosed in Note 16 to the financial statements.

The carrying value for completed development properties for sale [Note 10(a)]

Significant judgement is required in assessing the recoverability of the carrying value of completed development properties. Analysis has been carried out based on assumptions regarding the selling price and costs of properties. The Group closely monitors the property price index and market sentiments, and adjustments will be made if future market activity indicates that such adjustments are appropriate.

If the average selling price on completed development properties for sale increases/decreases by 10% from management's estimates, the Group's revenue will increase/decrease by $Nil (2018 - $Nil; 1 February 2017 - $988,000).

The carrying value of completed development properties for sale is disclosed in Note 10(a) to the consolidated financial statements.

2(d) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

The carrying value of development properties for sale [Note 10(b)]

Significant judgement is required in assessing the recoverability of the carrying value of development properties. Analysis has been carried out based on assumptions regarding the selling price and costs of properties. Significant judgement is required in determining total costs of property, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded and the experience of qualified project managers. The carrying amount of the development properties is disclosed in Note 10(b) to the financial statements.

Transfer of investment properties (Note 17)

For financial year ended 31 January 2018, the Group transferred Balestier Tower, held under investment properties to development property arising from a change in use of property. In determining the amount of the properties to be classified as development property, the Group has consistently used the change of use to evaluate whether it has the ability to retain these properties as the main criteria for the reclassification. On the date of the reclassification to development properties [Note 10(b)], the properties are measured at fair value by an independent firm of professional valuers up to the costs. Any difference between the fair value of the properties at that date and their previous carrying amounts is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined had no impairment loss been recognised.

Depreciation of investment properties (Note 17)

Investment properties of the Group and the Company are depreciated on a straight-line basis over their estimated useful lives.

The carrying amounts of the Group's and the Company's investment properties as at 31 January 2019 are $271,188,000 (2018 - $274,331,000; 1 February 2017 - $309,999,000) and $18,215,000 (2018 - $18,414,000; 1 February 2017 - $18,613,000) respectively.

If the actual useful lives of investment properties differ by 10% from management's estimates, the carrying amounts of the investment properties of the Group and the Company will be approximately $270,000 (2018 - $270,000; 1 February 2017 - $270,000) higher or $330,000 (2018 - $330,000; 1 February 2017 - $330,000) lower and approximately $18,000 (2018 - $18,000; 1 February 2017 - $18,000) higher or $22,000 (2018 - $22,000; 1 February 2017 - $22,000) lower, respectively.

Depreciation of property, plant and equipment (Note 18)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 January 2019 are $255,972,000 (2018 - $228,074,000; 1 February 2017 - $137,191,000) and $5,392,000 (2018 - $5,176,000; 1 February 2017 - $5,521,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment of the Group and the Company will be approximately $162,000 (2018 - $187,000; 1 February 2017 - $273,000) higher or $198,000 (2018 - $229,000; 1 February 2017 - $334,000) lower and approximately $38,000 (2018 - $46,000; 1 February 2017 - $47,000) higher or $46,000 (2018 - $56,000; 1 February 2017 - $57,000) lower respectively.

2(d) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of non-financial assets (Notes 14, 15, 16, 17 and 18)

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three or five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

During the year, the Group performed an impairment assessment of the serviced apartments at Citadines Balestier and Lyf @ Farrer which are classified as property, plant and equipment.

During the financial year, a firm of independent professional valuers valued Citadines Balestier and Lyf @ Farrer to be $163,425,000 (2018 - $128,775,000) and $115,432,000 respectively, based on the properties' fair value using the Direct Comparison Method. Based on the assessment, there is no impairment required for the financial year ended 31 January 2019. Construction for Citadines Balestier is 88% completed (2018 - 20%) and for Lyf @ Farrer is 13% completed as at 31 January 2019.

The valuation for Lyf @ Farrer as at 31 January 2018 was $178,000,000 (1 February 2017 - $Nil) and valuation for Citadines Balestier as at 1 February 2017 was $141,400,000 based on land cost as construction work had not commenced then.

The most significant input into this valuation approach is the selling price per square meter. If the selling price per square meter is 5% lower than the professional valuers' estimate, the impairment charge would have increased by $Nil (2018 - $Nil; 1 February 2017 - $Nil) for property, plant and equipment.

Further details are disclosed in Notes 14, 15, 16, 17 and 18 to the consolidated financial statements.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(e) Summary of significant accounting policies

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. Information on its subsidiaries is given in Note 16 to the financial statements.

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

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

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

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

- de-recognises the assets (including goodwill, if any) and liabilities of the subsidiary at their carrying amounts as at that 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; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

A change in the ownership interest

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill if any), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposals

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

2(e) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Disposals (Cont'd)

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

Transactions with non-controlling interest

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 statement of financial position, 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 subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method over its remaining lease period. Freehold land held as an investment property is not subject to depreciation.

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

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

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

2(e) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Freehold property (hotel)	50 years
Leasehold properties	Over remaining tenure of lease
Plant, machinery and surveying equipment	5 to 20 years
Motor vehicles	4 to 10 years
Furniture, fittings and equipment	3 to 20 years
Renovation	10 years

Leasehold properties are amortised on the straight-line method over the remaining period of the lease.

No depreciation is provided on assets under construction.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Investments in 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 is not control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate. Investments in associates at company level are stated at cost.

2(e) Summary of significant accounting policies (Cont'd)

Investments in associates (Cont'd)

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 investments 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 operations of the associates. Distributions received from 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 transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

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

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

The financial statements of the associates are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of significant influence or joint control 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.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

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.

2(e) Summary of significant accounting policies (Cont'd)

Joint arrangements

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

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

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

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

Investments in joint ventures at company level are stated at cost. The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. Refer to the accounting policy on "Investment in associates".

When financial statements of joint ventures with different reporting dates are used (not more than three months apart), if any, adjustments are made for the effects of any significant events or transactions between the investor and the joint ventures that occur between the date of the joint ventures' financial statements and the end of reporting period. Where this occurs, the reporting date of the financial statements of the joint venture shall be disclosed, together with the reason for using a different reporting period (see Note 14).

Financial assets

The accounting for financial assets before 1 February 2018 are as follows:

Financial assets, other than hedging instruments, can be divided into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

The accounting for financial assets before 1 February 2018 are as follows: (Cont'd)

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

As at 31 January 2018, the Company and the Group have loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. The Company and the Group do not designate any held-to-maturity investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

Loans and receivables include other investments, trade and other receivables, related party balances and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

The accounting for financial assets before 1 February 2018 are as follows: (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the consolidated income statement for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been de-recognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sales are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing and valuation models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

The accounting for financial assets from 1 February 2018 are as follows:

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

2(e) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

The accounting for financial assets from 1 February 2018 are as follows: (Cont'd)

Classification and measurement (Cont'd)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, bank deposits pledged, trade and other receivables, contract assets and other investments at amortised cost.

The Group's business model for these financial assets is by collecting the contractual cash flow where those cash flows represent solely payments of principal and interest, measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42.5 details how the Group determines whether there has been a significant increase in credit risk.

2(e) Summary of significant accounting policies (Cont'd)

Impairment (Cont'd)

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and cash and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Recognition and de-recognition

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

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

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

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Development properties

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

2(e) Summary of significant accounting policies (Cont'd)

Development properties (Cont'd)

Capitalisation of borrowing costs ceases when the properties can be sold. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate Temporary Occupation Permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Upon completion of construction, development properties are transferred to completed development properties for sale.

<u>Unsold development properties</u>

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

<u>Sold development properties</u>

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to-date to the estimated total costs for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Development properties are stated at the lower of cost and net realisable value. Net realisable value represents, the estimated selling price in the ordinary course of business, less estimated total costs of completion and selling expenses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital

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

2(e) Summary of significant accounting policies (Cont'd)

Trade and other payables

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

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

Financial guarantees

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

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 January 2018, financial guarantees were subsequently measured at the higher of (a) listed above and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

Borrowings

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

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

Borrowings are de-recognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

2(e) Summary of significant accounting policies (Cont'd)

Provisions

Provisions are recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in consolidated income statement immediately.

The Company reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

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. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases

Where the Group is the lessee

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Where the Group is the lessor

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at cost less accumulated depreciation and impairment losses. Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions are complied with. When the grant is related to an expense item, it is recognised in the consolidated income statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

Employee benefits

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which they have operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to CPF or other defined contribution plans are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements

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

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managerial personnel are considered key management personnel.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

2(e) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset, if any, is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the consolidated income statement, a reversal of that impairment loss is recognised as income in profit or loss.

Revenue recognition

Hotel management services

Fees from hotel management services are recognised when services are rendered at the point of time.

Revenue from hotel and restaurant operations

Revenue from hotel and restaurant operations is recognised over the period in which the accommodation and related services are provided, except for revenue from the sale of food and beverages, which is recognised at a point in time when the food and beverages are delivered.

Revenue from property development – sale of development properties

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where 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, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

For development properties where 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 Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the estimated total construction costs. Management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. 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 and instead are expensed as incurred.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from property development – sale of development properties (Cont'd)

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. 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.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only 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.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

Revenue from property investments – rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Government grant

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

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

Government grants relating to assets are deducted against the carrying amount of the assets.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance costs". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

2(e) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies (Cont'd)

<u>Group entities</u>

The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the statement of financial position;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at the exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends, if any, are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

  (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

  (iii) both entities are joint ventures of the same third party;

2(e) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (Cont'd)

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Operating segments

For management purposes, operating segments are organised 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 are directly accountable to the joint managing directors who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

3 Cash and cash equivalents

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Cash	**28**	28	33	**6**	6	4
Bank balances	**27,602**	41,589	30,765	**8,139**	12,501	5,041
	27,630	41,617	30,798	**8,145**	12,507	5,045
Fixed deposits (maturity of less than three months)	**88,629**	92,428	219,776	**66,799**	67,975	210,310
	116,259	134,045	250,574	**74,944**	80,482	215,355

3 Cash and cash equivalents (Cont'd)

Cash and cash equivalents are denominated in the following currencies:

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**80,950**	47,484	159,821	**53,928**	12,131	139,489
Australian dollar	**10,891**	12,360	16,413	**3,492**	296	7,374
Malaysian Ringgit	**1,071**	998	919	**71**	36	58
Chinese Renminbi	**5,894**	5,184	4,987	**–**	–	–
United States dollar	**17,453**	68,019	68,434	**17,453**	68,019	68,434
	116,259	134,045	250,574	**74,944**	80,482	215,355

The Group

The fixed deposits earn an effective interest rate of 2.01% (2018 - 1.87%; 1 February 2017 - 1.33%) per annum which mature on varying dates between the earliest, 1 February 2019 (2018 - 13 February 2018; 1 February 2017 - 1 February 2017) and the latest, 30 April 2019 (2018 - 30 April 2018; 1 February 2017 - 30 March 2017).

The Company

The fixed deposits earn an effective interest rate of 2.02% (2018 - 2.03%; 1 February 2017 - 1.33%) per annum which mature on varying dates between the earliest, 1 February 2019 (2018 - 13 February 2018; 1 February 2017 - 1 February 2017) and the latest, 30 April 2019 (2018 - 19 March 2018; 1 February 2017- 30 March 2017).

Fixed deposits that mature less than three months are classified as part of cash and cash equivalents.

4 Fixed deposits

Included in fixed deposits of $9,051,000 (2018 - $5,365,000; 1 February 2017 - $16,221,000) is a fixed deposit of $3,600,000 (2018 - $3,600,000; 1 February 2017 - $14,500,000) of a subsidiary pledged as security for bank borrowings of $178,860,000 (2018 - $186,060,000; 1 February 2017 - $193,260,000) granted to the said subsidiary (Note 24) and a fixed deposit of $3,720,000 (2018 - $Nil; 1 February 2017 - $Nil) pledged as cash collateral for Qualifying Certificate Bond for a development project.

The fixed deposits earn interest at an effective interest rate of 1.71% (2018 - 0.86%; 1 February 2017 - 0.64%) per annum and mature on 29 April 2019 (2018 - 30 April 2018; 1 February 2017 - 25 April 2017), being the earliest date and 30 December 2019 (2018 - 29 July 2018; 1 February 2017 - 29 July 2017), being the latest date.

4 Fixed deposits (Cont'd)

Fixed deposits are denominated in the following currencies:

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Singapore dollar	**7,320**	3,600	14,500
Chinese Renminbi	**1,731**	1,765	1,721
	9,051	5,365	16,221

5 Financial assets, at FVPL

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Listed equity securities – Singapore			
Balance at beginning of year	**5,949**	5,097	4,764
Additions	**–**	334	–
Disposals	**–**	(334)	–
Fair value gain/(loss) recognised in consolidated income statement (Note 30,32,34)	**(793)**	852	333
Balance at end of year	**5,156**	5,949	5,097

The instruments are all mandatorily measured at fair value through profit or loss.

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

6 Trade and other receivables

The Group	Note	31 January 2019 $'000	31 January 2018 (restated) $'000	1 February 2017 (restated) $'000
Due within one year				
Trade Receivables				
Trade receivables		**8,899**	3,676	1,940
Accrued rental income		**203**	270	1,100
Accrued billings		**77**	78	74
Retention money – third parties		**–**	3,811	3,811
		9,179	7,835	6,925
Loss allowance of trade receivables				
Balance at beginning of year		**(88)**	(153)	(166)
Allowance during the year	32, 34	**(81)**	–	(79)
Allowance no longer required	30, 34	**–**	65	92
Balance at end of year		**(169)**	(88)	(153)
Net trade receivables	(i)	**9,010**	7,747	6,772
Other receivables				
GST receivable		**–**	–	167
Staff loans		**–**	78	–
Interest receivable				
- Unquoted junior bonds		**1,336**	1,479	1,282
- Banks		**93**	251	387
		1,429	1,730	1,669
Receivable from disposal of joint venture and subsidiary		**–**	301	8,103
Deposits		**36,324**	2,759	15,410
Prepayments		**12,529**	523	530
Recoverable expenses		**49**	30	57
Sundry debtors		**1,250**	74	107
		51,581	5,495	26,043
Loss allowance of other receivables				
Balance at beginning of year		**(88)**	(174)	(9)
Allowance during the year	32, 34	**(1)**	–	(165)
Allowance no longer required	30, 34	**–**	86	–
Balance at end of year		**(89)**	(88)	(174)
Net other receivables	(ii)	**51,492**	5,407	25,869
Total	(i) + (ii)	**60,502**	13,154	32,641
Due after one year				
Accrued rental income	(iii)	**157**	235	–
Grand total	(i)+(ii)+(iii)	**60,659**	13,389	32,641

6 Trade and other receivables (Cont'd)

The Company	Note	31 January **2019** **$'000**	31 January 2018 (restated) $'000	1 February 2017 (restated) $'000
Due within one year				
Trade Receivables				
Trade receivables		**–**	10,286	2,349
Accrued rental income		**21**	41	74
Retention money				
- Third parties		**–**	3,811	3,811
- Subsidiaries		**2,606**	2,574	6,212
		2,606	6,385	10,023
	(i)	**2,627**	16,712	12,446
Other receivables				
GST receivable		**–**	–	381
Staff loans		**–**	78	–
Interest receivable – Banks		**86**	247	355
Deposits		**58**	2,890	141
Prepayments		**103**	45	15
Sundry debtors		**1,282**	103	117
		1,529	3,363	1,009
Allowance for impairment loss of other receivables				
Balance at beginning of year		**(76)**	(91)	–
Allowance during the year		**–**	–	(91)
Allowance no longer required		**–**	15	–
Balance at end of year		**(76)**	(76)	(91)
Net other receivables	(ii)	**1,453**	3,287	918
Total	(i) + (ii)	**4,080**	19,999	13,364

Trade and other receivables are denominated in the following currencies:

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018 (restated)	2017 (restated)	**2019**	2018 (restated)	2017 (restated)
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**59,381**	11,754	30,680	**4,080**	19,999	13,364
Australian dollar	**971**	1,327	1,957	**–**	–	–
Malaysian Ringgit	**4**	4	3	**–**	–	–
Chinese Renminbi	**303**	304	1	**–**	–	–
	60,659	13,389	32,641	**4,080**	19,999	13,364

6 Trade and other receivables (Cont'd)

The receivable from disposal of joint venture and subsidiary consists of balances outstanding from the proceeds from disposal of Shanghai Xinfeng Realty Development Co., Ltd in prior year of $Nil (2018 - $301,000; 1 February 2017 - $4,520,000).

All loans and receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days (2018 - 30 days and 90 days; 1 February 2017 - 30 days and 90 days), excluding the retention money withheld. Retention money from construction works withheld will be paid upon the issuance of maintenance certificates from architects. The Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers.

The trade receivables ageing are generally between 30 days and 90 days (2018 - 30 days and 90 days; 1 February 2017 - 30 days and 90 days).

Accrued rental income is the rental for the free fit out period to be amortised over the lease term.

Accrued billings relate to additional rental income that has yet to be billed as at the end of the reporting period.

Interest receivable from unquoted junior bonds of $1,336,000 (2018 - $1,479,000; 1 February 2017 - $1,282,000) is at an effective interest rate of 7.44% (2018 - 8.75%; 1 February 2017 - 7.5%) per annum.

Deposits represent mainly tender deposit.

7(a) Amounts owing by subsidiaries (non-trade)

The Company	31 January **2019** **$'000**	 2018 $'000	1 February 2017 $'000
Amounts owing by subsidiaries (non-trade)	**17,894**	–	–
Impairment loss on amounts owing by subsidiaries (non-trade)			
Balance at beginning of year	**–**	–	–
Allowance for the year	**(8,634)**	–	–
Balance at beginning of year	**(8,634)**	–	–
	9,260	–	–

The non-trade amounts owing by subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing by subsidiaries are denominated in Singapore dollar.

7(b) Amounts owing to subsidiaries (non-trade)

The non-trade amounts of $67,945,000 (2018 - $74,787,000; 1 February 2017 - $55,855,000) owing to subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to subsidiaries are denominated in the following currencies:

	31 January		1 February
	2019	2018	2017
The Company	**$'000**	$'000	$'000
Singapore dollar	**66,796**	73,615	16,246
United States dollar	**–**	–	38,491
Malaysian Ringgit	**1,149**	1,172	1,118
	67,945	74,787	55,855

8 Contract assets

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
		(restated)	(restated)		(restated)	(restated)
	$'000	$'000	$'000	**$'000**	$'000	$'000
Contract assets	**3,133**	10,345	57,614	**2,676**	2,288	1,413
Contract liabilities	**–**	–	–	**–**	–	–

<u>Contract assets</u>

The Company

The contract assets relate primarily to the Company's right to recognise revenue for percentage of work completed but not billed at the reporting period on its property construction contracts. Upon fulfilling certain agreed performance milestones with customers or commissioning and handing over of projects to customers, the amounts recognised as contract assets are reclassified to trade receivables when the rights become unconditional. The contract assets balance increased as the Company provided more services and transferred more goods ahead of the agreed payment schedules. The information regarding the credit risk exposures are disclosed in Note 42.5.

The Group

The contract assets relate primarily to the Group's right to recognise revenue for percentage of work completed but not billed at the reporting period on its development properties sold that is recognised over time. The contract assets balance decreased because more units were sold and lesser percentage of work done in 2019.

8 Contract assets (Cont'd)

Unsatisfied performance obligations

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 January	**–**	–#	–#	**4,188**	–#	–#

\# As permitted under the transitional provisions in the SFRS(I) 15, the transaction price allocated to partially or fully unsatisfied performance obligations as of 31 January 2018 and 1 February 2017 is not disclosed.

Management expects that 100% of the transaction price allocated to the unsatisfied performance obligations as of 31 January 2019 will be recognised as revenue during the next reporting period.

Assets recognised from costs to fulfil contracts

Management assessed that there are no assets recognised from costs to fulfil contract as at 31 January 2019, 31 January 2018 and 1 February 2017.

9 Inventories

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
At cost,			
Hotel supplies	**208**	186	163
Restaurant supplies	**144**	193	257
	352	379	420
Cost of inventories included in cost of sales	**1,957**	2,570	2,960

10(a) Completed development properties for sale

The Group	31 January 2019 $'000	31 January 2018 $'000	1 February 2017 $'000
Balance at beginning of year	–	7,932	9,661
Disposal of subsidiary	–	–	(870)
Reversal of cost no longer required	–	–	(1)
Sales during the year	–	(7,932)	(858)
Balance at end of year, cost	–	–	7,932
Write-down on completed development properties for sale			
Balance at beginning of year	–	–	(870)
Provision no longer required due to disposal	–	–	870
Balance at end of year	–	–	–
	–	–	7,932
Cost of development properties included in cost of sales	–	7,932	858

The related subsidiary – Shanghai Xinfeng Realty Development Co., Ltd was disposed of in financial year 2017. Hence the provision made on its completed development properties was no longer required.

The details of completed development properties for sale at the end of financial year 2017 were as follows:

Name/Location	Description of development	Tenure/Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Date of TOP [i]
(1) Parkland Residences Upper Serangoon Crescent, Singapore	4 tower blocks of 18-storey with a total of 680 residential units	103 years Leasehold land / 100%	20,000	70,000	29 October 2014
(2) Paya Lebar Square 60 Paya Lebar Road, Singapore	10-storey office tower above a 3-storey retail podium	99 years Leasehold land / 80%	14,852	62,378	3 November 2014

[i] Temporary Occupancy Permit

10(b) Development properties

The Group	Note	31 January 2019 $'000	31 January 2018 (restated) $'000	1 February 2017 $'000
Properties in the course of development				
- Land and other related costs		**254,877**	179,886	96,689
- Development costs		**12,499**	34,797	10,765
		267,376	214,683	107,454
Properties for development				
Transfer from investment properties	17	**–**	42,238	–
		267,376	256,921	107,454

Arising from the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group ceased capitalisation of borrowing costs at the point when the development properties can be sold.

Interest costs of $4,408,000 (2018 - $2,914,000; 1 February 2017 - $4,098,000) have been capitalised up to the point of revenue recognition during the financial year ended 31 January 2019 at effective interest rates ranging from 2.71% to 3.26% (2018 - 2.42% to 4.00%; 1 February 2017 - 2.26% to 4.00%) per annum based on actual borrowing costs. The interest costs capitalised consist of $2,790,000 (2018 - $1,793,000; 1 February 2017 - $2,248,000) and $1,618,000 (2018 - $1,121,000; 1 February 2017 - $1,850,000) allocated to property, plant and equipment and development properties respectively.

Details of development properties as at the end of reporting period are as follows:

Name/Location	Description of development	Tenure/ Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Stage of completion/ Expected date of TOP
207 Balestier Road [(i)] Citadines Balestier Singapore	31 Commercial retail units	Freehold land/ 100%	2,786	2,525	88% Q2 FY2020
2 Perumal Road [(ii)] Uptown @ Farrer Singapore	Mixed commercial and residential development with a block of 21 - storey residential flats (116 units), 1 block of 16 - storey serviced apartments (240 units) and a 3-storey carpark podium with 7 commercial shops at 1st storey	99 years Leasehold land/ 100%	3,848	10,183	13% Q4 FY2022
67 Cairnhill Road [(iii)] Singapore	High-rised residential development comprising not less than 200 units of apartments	Freehold land/ 100%	1,840	5,887	0% Planning stage

10(b) Development properties (Cont'd)

With the exception of Citadines Balestier, all other development properties are expected to be completed more than 12 months after reporting period.

In financial year 2018, the Group transferred its investment properties at Citadines Balestier retail podium [Note 17(c)(4)] to properties for development arising from a change in use of property. The commercial podium at Citadines Balestier is developed for sale.

(i) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the property under development at Citadines Balestier to be $217,900,000 as at 31 January 2019 (2018 - $171,700,000) based on the property's fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method. The amount consists of $163,425,000 (2018 - $128,775,000) and $54,475,000 (2018 - $42,925,000) allocated to property, plant and equipment and development property respectively. Construction for Citadines Balestier is 88% (2018 - 20%) completed as at 31 January 2019.

    The valuation for Citadines Balestier as at 1 February 2017 was $141,400,000 based on land cost as construction work had not commenced then.

(ii) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the property under development to be $245,600,000 as at 31 January 2019 based on the property's fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method. The amount consists of $115,432,000 and $130,168,000 allocated to property plant and equipment and development property respectively. Construction for Uptown @ Farrer is 13% completed as at 31 January 2019.

    The valuation for Uptown @ Farrer as at 31 January 2018 was $178,000,000 (1 February 2017 - $Nil) based on land cost as construction work had not commenced then.

(iii) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the land cost of the property under development to be $100,000,000 as at 31 January 2019 based on the land's fair value of using the Direct Comparison Method.

As at the end of reporting period, the development properties have been pledged to financial institutions to secure bank borrowings (Note 24).

11 Financial assets, available for sale

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Balance at beginning of year	**50,810**	51,701	34,767	**1,730**	1,433	1,395
Reclassification at 1 February 2018*	**(50,810)**	–	–	**(1,730)**	–	–
Additions	**–**	510	12,383	**–**	–	–
Disposals	**–**	(11,708)	–	**–**	–	–
Fair value gain recognised in other comprehensive income/(expense) (Note 27)	**–**	10,344	4,545	**–**	297	38
Exchange difference	**–**	(37)	6	**–**	–	–
Balance at end of year, at fair value	**–**	50,810	51,701	**–**	1,730	1,433

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

* See Note 2(b)(ii) for details of reclassification as at 1 February 2018 on adoption of SFRS(I) 9.

12 Financial assets, at FVOCI

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Balance at beginning of year	**–**	–	–	**–**	–	–
Reclassification at 1 February 2018*	**50,810**	–	–	**1,730**	–	–
Disposals	**(7,870)**	–	–	**–**	–	–
Fair value loss recognised in other comprehensive income/(expense) (Note 27)	**(7,682)**	–	–	**(69)**	–	–
Balance at end of year, at fair value	**35,258**	–	–	**1,661**	–	–

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

* See Note 2(b)(ii) for details of reclassification as at 1 February 2018 on adoption of SFRS(I) 9.

13 Other investments at amortised cost

Other investments relate to unquoted debt instrument for funding a business opportunity when Huatland Development Pte. Ltd. ("Huatland"), a wholly-owned subsidiary of the Company, executed a letter of participation. This is in connection with the acquisition of 20% equity interest in Perennial Shenton Investors Pte. Ltd. ("PSI") for the acquisition of AXA Tower located at 8 Shenton Way, Singapore 068811. The total purchase consideration was $1,170,000,000, translating to $1,735 per square feet based on the existing net lettable area of 674,000 square feet. AXA Tower is a 99 years leasehold property with its lease commencement on 19 July 1982. The acquisition was undertaken in a consortium of investors led by Perennial Real Estate Holdings Limited.

On 24 April 2015, arising from this acquisition, Huatland agreed and accepted to subscribe for unquoted junior bonds issued by PSI with a principal amount of $32,000,000 which is managed by PSI. The bonds carry interest at the rate of 10% per annum and secured by a legal mortgage over the AXA Tower property but subordinated to all senior borrowings of PSI. The unquoted junior bonds are expected to mature in a single lump sum in 2025, subject to the inclination of disposing of AXA Tower property should there be possible business opportunities arisen. In respect of the financial year ended 31 January 2019, the effective interest rate of bonds is 7.44% (2018 - 8.75%; 1 February 2017 - 7.5%) per annum.

14 Joint ventures

		The Group			The Company		
		31 January		1 February	31 January		1 February
		2019	2018	2017	**2019**	2018	2017
	Note	**$'000**	$'000	$'000	**$'000**	$'000	$'000
Contributions made towards joint ventures:							
- Joint ventures		**1,853**	2,153	2,363	**1,853**	2,153	2,363
- Exchange fluctuation difference		**(115)**	(105)	(179)	**–**	–	–
Discount implicit in non-current loans to joint ventures		**22,603**	15,788	11,272	**22,603**	15,788	11,272
Amounts owing by joint ventures (non-trade):							
- Interest-free		**9,883**	9,034	8,881	**9,883**	9,034	8,881
- Exchange fluctuation difference		**(295)**	523	(595)	**(295)**	523	(595)
		33,929	27,393	21,742	**34,044**	27,498	21,921
Share of (accumulated losses)/retained profits in joint ventures		**(14,699)**	(15,815)	(13,614)	**5,107**	5,107	5,107
Exchange fluctuation difference		**(131)**	(130)	370	**–**	–	–
Impairment loss on joint ventures:							
Balance at beginning and end of year		**–**	–	–	**(15,210)**	(15,210)	(15,210)
	(i)	**19,099**	11,448	8,498	**23,941**	17,395	11,818
Non-interest bearing loans owing by joint ventures (non-trade):							
- Non-interest bearing loans		**59,945**	68,760	73,276	**59,945**	68,760	73,276
- Notional interest on loans		**11,165**	11,537	9,330	**11,165**	11,537	9,330
		71,110	80,297	82,606	**71,110**	80,297	82,606
Impairment loss on joint ventures:							
Balance at beginning and end of year		**–**	–	–	**(1,888)**	(1,888)	(1,888)
	(ii)	**71,110**	80,297	82,606	**69,222**	78,409	80,718
Total	(i) + (ii)	**90,209**	91,745	91,104	**93,163**	95,804	92,536
Share of results in joint ventures, net of tax		**2,883**	(2,623)	(3,435)	**–**	–	–

14 Joint ventures (Cont'd)

The non-trade amounts owing by joint ventures are regarded as an extension of the Company's net investment in the joint ventures because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured and interest-free.

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans. A discount rate of 5% (2018 - 4%; 1 February 2017 - 4%) per annum has been applied to calculate the financial asset to its fair value on an annual re-pricing basis, up till the repayment dates, 31 October 2022, being the earliest date and 29 March 2023, being the latest date. These loans are subordinated to all bank borrowings of the respective companies. The carrying amount approximates its fair value.

All amounts owing by joint ventures are denominated in Singapore dollar.

All of the joint ventures are accounted for using the equity method in these consolidated financial statements.

Details of the joint ventures at the end of the reporting period are as follows:

	Name of joint venture	Country of Incorporation / principal place of business	Proportion of ownership Interests and voting rights held by the Group			Principal activities	Different statutory reporting period other than 31 January
			31 January		1 February		
			2019	2018	2017		
			%	%	%		
(1), (6)	Duchess Walk Pte. Ltd.	Singapore	**–**	30	30	Liquidated	31 December
(2), (7)	Peak Garden Pte. Ltd.	Singapore	**40**	40	40	In process of liquidation	31 December
(3)	Bina Meganmas Sdn. Bhd.	Malaysia	**49**	49	49	To build bungalow lots at Bandar Seri Alam, Johor	–
(4), (8)	Promatik Emas Sdn. Bhd.	Malaysia	**25**	25	25	Developed Panaroma, a parcel of land at Persiaran Hampshire, Kuala Lumpur	31 December
(4), (9)	Suasana Simfoni Sdn. Bhd.	Malaysia	**–**	–	20	Liquidated	31 December
(5)	Westgate Tower Pte. Ltd.	Singapore	**40**	40	40	Property investment	–
(5)	Westgate Commercial Pte. Ltd.	Singapore	**40**	40	40	Property investment	–

14 Joint ventures (Cont'd)

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) Audited by KPMG LLP, Singapore

(3) Audited by Crowe Horwath, Malaysia

(4) Audited by PricewaterhouseCoopers, Malaysia

(5) Audited by Foo Kon Tan LLP

(6) On 28 September 2018, Duchess Walk Pte. Ltd. was voluntarily liquidated and the Group had received in full a first and final distribution of $1,678,950 comprising return of capital of $300,000 and dividend of $1,378,950.

(7) On 9 November 2018, Peak Garden Pte. Ltd. was voluntarily liquidated and a liquidator had been appointed for the winding up.

(8) This joint venture is a subsidiary of a public company, UOL Group Limited, listed with The Singapore Exchange. The results of this joint venture is based on audited results to 31 December 2018, all within three months of the year-end of the Group. No adjustments were made to these joint ventures' financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

(9) The Group had a 20% equity interest at a cost of $210,000 in Suasana Simfoni Sdn. Bhd. In 2017, Suasana Simfoni Sdn. Bhd. was deemed to be a joint venture of the Group, accounted using the equity method of accounting as the strategic, operating, investing and financing key decisions required the unanimous approval of its venturers. On 17 January 2018, the Group disposed of its 20% equity interest held in Suasana Simfoni Sdn. Bhd. for an aggregate consideration of approximately $254,000 (RM756,000). Accordingly, the Group recognised a gain on disposal of $11,000. The consideration of $254,000 was received in full by the Group on 2 February 2018.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its joint ventures would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Details of material joint ventures

Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I) (adjusted by the Group for equity accounting purposes).

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of financial position	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000	Total $'000
2019			
Current assets	**15,795**	**7,378**	**23,173**
Includes			
- Cash and cash equivalents	**15,068**	**5,766**	**20,834**
Non-current assets	**295,482**	**281,763**	**577,245**
Current liabilities	**(4,651)**	**(2,915)**	**(7,566)**
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	**(1,600)**	**(1,800)**	**(3,400)**
Non-current liabilities	**(295,812)**	**(276,944)**	**(572,756)**
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	**(294,193)**	**(275,386)**	**(569,579)**
Net assets/(liabilities)	**10,814**	**9,282**	**20,096**

Summarised statement of comprehensive income	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000
2019		
Revenue	**10,364**	**10,053**
Net profit/(loss) and total comprehensive income/(expense) for the year	**7,275**	**(248)**

The above profit/(loss) for the year includes the following:

2019		
Depreciation	**(3,262)**	**(3,112)**
Interest income	**211**	**25**
Interest expense	**(4,202)**	**(4,838)**

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of financial position	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000	Total $'000
2018			
Current assets	19,377	4,996	24,373
Includes			
- Cash and cash equivalents	17,268	2,373	19,641
Non-current assets	291,474	285,325	576,799
Current liabilities	(211,708)	(3,023)	(214,731)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(208,580)	(1,800)	(210,380)
Non-current liabilities	(112,642)	(277,767)	(390,409)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(111,706)	(276,858)	(388,564)
Net assets/(liabilities)	(13,499)	9,531	(3,968)

Summarised statement of comprehensive income	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000
2018		
Revenue	10,347	10,027
Net profit/(loss) and total comprehensive income/(expense) for the year	(4,388)	(2,365)

The above profit/(loss) for the year includes the following:

2018		
Depreciation	(3,262)	(3,112)
Interest income	95	11
Interest expense	(8,710)	(6,026)

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of financial position	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000	Total $'000
1 February 2017			
Current assets	15,532	5,689	21,221
Includes			
- Cash and cash equivalents	12,641	5,404	18,045
Non-current assets	294,738	288,635	583,373
Current liabilities	(2,877)	(2,774)	(5,651)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	–	(1,600)	(1,600)
Non-current liabilities	(316,503)	(290,947)	(607,450)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(316,503)	(290,947)	(607,450)
Net assets/(liabilities)	(9,110)	603	(8,507)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements is as follows:

The Group	31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
Net assets/(liabilities) of material joint ventures	**20,096**	(3,968)	(8,507)
Proportion of the Group's ownership interests in the joint ventures	**8,038**	(1,587)	(3,402)
Other adjustment			
- Advances to material joint venture	**–**	–	63
- Amounts owing by joint ventures	**71,110**	80,297	82,606
Carrying amount of material joint ventures	**79,148**	78,710	79,267
Carrying amount of individually immaterial joint ventures	**11,061**	13,035	11,837
Carrying amount of Group's interest in joint ventures	**90,209**	91,745	91,104

14 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Aggregate information of joint ventures that are not individually material

The Group	**2019 $'000**	2018 $'000
Share of profit after taxation and total comprehensive income/(expense) for the year	**84**	77

15 Associate companies

		The Group			The Company		
		31 January		1 February	31 January		1 February
	Note	**2019 $'000**	2018 $'000	2017 $'000	**2019 $'000**	2018 $'000	2017 $'000
Unquoted equity investments		**46,670**	46,270	46,270	**–**	–	–
Non-interest bearing loan owing by associate companies (non-trade)		**17,600**	5,411	3,499	**–**	–	–
		64,270	51,681	49,769	**–**	–	–
Share of post-acquisition profits		**3,169**	3,660	3,592	**–**	–	–
Exchange fluctuation difference		**(1,359)**	(2,194)	(2,591)	**–**	–	–
	(i)	**66,080**	53,147	50,770	**–**	–	–
Advances to associate companies	(ii)	**56**	56	56	**56**	56	56
	(i)+(ii)	**66,136**	53,203	50,826	**56**	56	56
Share of associate companies' results, net of tax		**(75)**	(143)	1,414	**–**	–	–

The non-trade amounts owing by associate companies are regarded as an extension of the Group's net investment in the associate companies because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured and interest-free.

The Advance to associate companies are denominated in Singapore dollar.

15 Associate companies (Cont'd)

Incorporation of associate companies, Canary Peak Development Pte. Ltd. and Dalvey Breeze Development Pte. Ltd.

On 7 May 2018, Canary Peak Development Pte. Ltd. ("Canary") is incorporated with 40% owned by LKHS Property Investment Pte. Ltd. ("LKHSPI") for the purpose of property development. Canary has an issued and paid-up capital of $100 consisting of 100 shares. Canary is inactive as at year end. On 4 April 2019, Canary is struck-off due to unsuccessful tender for a property development project.

On 4 June 2018, Dalvey Breeze Development Pte. Ltd. ("Dalvey") is incorporated with 40% owned by LKHSPI for the purpose of property development. Dalvey has an issued and paid-up capital of $1,000,000 consisting of 1,000,000 shares.

The Group incorporated LKHSPI as its wholly-owned subsidiary for the purpose of investment holding. LKHSPI has an issued and paid up capital of $100 consisting of 100 shares.

Details of the associate companies at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group			
			31 January		1 February	Principal activities
			2019	2018	2017	
			%	%	%	
	Held by Prodev Pte. Ltd.					
(1)	Binakawa Sdn. Bhd.	Malaysia	**49**	49	49	Property development and investment holding
	Held by Huatland Development Pte. Ltd.					
(2), (3)	Perennial Shenton Investors Pte. Ltd. ("PSI")	Singapore	**20**	20	20	Investment holding
	Held by PSI					
(2), (3)	Perennial Shenton Holding Pte. Ltd.	Singapore	**20**	20	20	Investment holding
(2), (3)	Perennial Shenton Properties Pte. Ltd.	Singapore	**20**	20	20	Property investment
	Held by LKHS Property Investment Pte. Ltd.					
(4), (5)	Dalvey Breeze Development Pte. Ltd.	Singapore	**40**	–	–	Property development
(6)	Canary Peak Development Pte. Ltd.	Singapore	**40**	–	–	Struck off on 4 April 2019

15 Associate companies (Cont'd)

(1) Audited by Crowe Horwath, Malaysia, reporting period 31 January

(2) Audited by KPMG LLP, Singapore, reporting period 31 December

(3) The associate company is an associate company of a public company, Perennial Real Estate Holdings Limited, listed with The Singapore Exchange. The results of the company is based on audited results at 31 December 2018 with adjustments made to 31 January 2019 for the Group consolidation purpose.

(4) Audited by Ernst & Young LLP, Singapore, reporting period 31 March

(5) The associate company is a subsidiary of a public company, KOP Limited, listed with The Singapore Exchange. The results of the company is based on unaudited results at 31 January 2019 for the Group consolidation purpose. No adjustments were made to this associate company's financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

(6) Audited by Foo Kon Tan LLP for consolidation purpose.

These associate companies are accounted for using the equity method in these consolidated financial statements of the Group.

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

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associate companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Details of material associate companies

Summarised financial information in respect of each of the Group's material associate companies is set out below. The summarised financial information below represents amounts shown in the associate company's consolidated financial statements prepared in accordance with SFRS(I) (adjusted by the Group for equity accounting purposes).

15 Associate companies (Cont'd)

Details of material associate companies (Cont'd)

Summarised statement of financial position	PSI and its subsidiaries 31 January **2019** **$'000**	PSI and its subsidiaries 31 January 2018 $'000	PSI and its subsidiaries 1 February 2017 $'000	Dalvey Breeze Development Pte. Ltd. 31 January **2019** **$'000**
Current assets	**1,175,889**	1,163,153	1,197,116	**97,464**
Includes				
- Cash and cash equivalents	**18,276**	21,165	51,897	**6**
Non-current assets	**118,734**	113,197	104,394	**–**
Current liabilities	**(840,991)**	(21,591)	(29,624)	**(298)**
Includes				
- Financial liabilities (excluding trade and other payables and provisions)	**(818,688)**	–	–	**(82)**
Non-current liabilities	**(170,005)**	(972,776)	(999,685)	**(96,170)**
Includes				
- Financial liabilities (excluding trade and other payables and provisions)	**–**	(801,958)	(832,439)	**–**
Net assets/ (liabilities)	**283,627**	281,983	272,201	**996**

Summarised statement of comprehensive income	PSI and its subsidiaries 31 January **2019** **$'000**	PSI and its subsidiaries 31 January 2018 $'000	Dalvey Breeze Development Pte. Ltd. 31 January **2019** **$'000**
Revenue	**50,372**	77,422	**–**
Net profit/(loss) and total comprehensive income/(expense) for the year	**(1,051)**	2,649	**(4)**

15 Associate companies (Cont'd)

Details of material associate companies (Cont'd)

The above profit/(loss) for the year include the following:

	PSI and its subsidiaries		Dalvey Breeze Development Pte. Ltd.
	2019	2018	**2019**
Summarised statement of comprehensive income (Cont'd)	**$'000**	$'000	**$'000**
Interest income	**91**	251	**–**
Interest expense	**(37,270)**	(35,033)	**–**
Income tax expense	**(512)**	(1,703)	**–**

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate companies recognised in the consolidated financial statements is as follows:

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Net assets/(liabilities) of material associate companies	**284,623**	281,982	272,201
Proportion of the Group's ownership interests in the associate companies	**57,123**	56,397	54,440
Other adjustment			
- Amount due from material associate companies	**10,388**	–	–
- Adjustment for fair value gain and depreciation expense of investment property for the difference in Group's accounting policy for investment properties	**(16,255)**	(15,715)	(14,289)
Carrying amount of material associate companies	**51,256**	40,682	40,151
Carrying amount of an individually immaterial associate company	**14,880**	12,521	10,675
Carrying amount of Group's interest in associate companies	**66,136**	53,203	50,826

Aggregate information of associate company that is not individually material

	31 January	
	2019	2018
The Group	**$'000**	$'000
Share of profit/(loss) and total comprehensive income/(expense)	**(204)**	(673)

15 Associate companies (Cont'd)

Details of material associate companies (Cont'd)

Commitments for expenditure

The Group's commitments, including its share of commitments made jointly with associate companies, are as follows:

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Capital expenditure	**12,461**	16,026	18,859

16 Subsidiaries

		31 January		1 February
		2019	2018	2017
The Company	Note	**$'000**	$'000	$'000
Unquoted equity investments		**14,301**	12,301	10,301
Discount implicit in non-current loan to subsidiaries		**57,768**	55,206	46,797
Amounts owing by subsidiaries (non-trade):				
- Interest-free		**212,103**	221,784	66,361
		284,172	289,291	123,459
Impairment loss on investments in subsidiaries				
Balance at beginning of year		**(18,585)**	(22,978)	(19,287)
Allowance for the year		**(1,024)**	(1,059)	(3,691)
Allowance no longer required		**8,675**	5,452	–
Balance at end of year		**(10,934)**	(18,585)	(22,978)
	(i)	**273,238**	270,706	100,481
Non-interest bearing loans owing by subsidiaries (non-trade):				
- Non-interest bearing loans		**168,137**	185,726	172,236
- Notional interest on loans		**21,164**	20,220	15,539
	(ii)	**189,301**	205,946	187,775
Total	(i) + (ii)	**462,539**	476,652	288,256

16 Subsidiaries (Cont'd)

The non-trade amounts owing by subsidiaries of $212,103,000 (2018 - $221,784,000; 1 February 2017 - $66,361,000) are regarded as an extension of the Company's net investment in the subsidiaries because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. The non-trade amounts owing are unsecured and interest-free.

During the financial year ended 31 January 2019, the Company assessed the carrying amounts of its investments in subsidiaries for indications of impairment. Based on this assessment, the Company recognised an impairment loss totalling $1,024,000 (2018 - $1,059,000) mainly due to its subsidiaries incurring losses from their business activities. The recoverable amounts of the investments have been determined based on the revalued net assets of these subsidiaries as at 31 January 2019 which is classified under Level 3 of the fair value hierarchy.

The impairment loss on investments in subsidiaries of $8,675,000 (2018 - $5,452,000) has been reversed as a result of an increase in the recoverable amounts of certain subsidiaries.

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans. A discount rate of 5% (2018 - 4%; 1 February 2017 - 4%) per annum has been applied to calculate the financial asset to its fair value on an annual re-pricing basis, up till the repayment dates, 28 February 2019 to 24 April 2025. The carrying amount approximates its fair value.

All amounts owing by subsidiaries are denominated in Singapore dollar.

Incorporation of wholly-owned subsidiaries

On 28 April 2017, the Group incorporated Glocity Capital Pte. Ltd. and HThree Capital Pte. Ltd. as its wholly-owned subsidiaries for the purpose of investment holding and property fund management respectively. Glocity Capital Pte. Ltd. and HThree Capital Pte. Ltd. each has an issued and paid-up capital of $2 consisting of 1 ordinary share.

On 2 February 2018, the Group incorporated Glopeak Development Pte. Ltd. as its wholly-owned subsidiary for the purpose of property development. Glopeak Development Pte. Ltd. has an issued and paid-up capital of $2,000,000 consisting of 1,000,000 ordinary shares.

On 7 May 2018, the Group incorporated LKHS Property Investment Pte. Ltd. as its wholly-owned subsidiary for the purpose of investment holding. LKHS Property Investment Pte. Ltd. has an issued and paid-up capital of $100 consisting of 100 ordinary shares and holds associate companies, Dalvey Breeze Development Pte. Ltd. and Canary Peak Development Pte. Ltd..

Disposal of a 60% owned subsidiary, Shanghai Xinfeng Realty Development Co., Ltd

On 26 August 2016, the Group disposed of its subsidiary, Shanghai Xinfeng Realty Development Co., Ltd ("Xinfeng") to Shanghai Xinchuan Investment Management Co., Ltd. for an aggregate consideration of approximately $6,827,000 (RMB 33.0M). Accordingly, the Group recognised a gain on disposal of $5,663,000 in financial year 31 January 2017.

As at 31 January 2019, the Group had received $6,526,000 (2018 - $6,526,000) and the remaining consideration of $301,000 (2018 - $301,000) is to be utilised for the liquidation of Xinfeng's holding company, Shanghai Nova Realty Development Co., Ltd, an indirect subsidiary of the Company.

16 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows:

Name	Country of incorporation/ principal place of business	Cost of investments			Proportion of ownership interests and voting rights held by the Group			Principal activities
		31 January		1 February	31 January		1 February	
		2019	2018	2017	**2019**	2018	2017	
		$'000	$'000	$'000	**%**	%	%	
Subsidiaries held by the Company								
Kwan Hwee Investment Pte. Ltd.	Singapore	**3,230**	3,230	3,230	**100**	100	100	Property development and investment holding
Low Keng Huat International Pte. Ltd.	Singapore	**3,000**	3,000	3,000	**100**	100	100	Investment holding
Quality Investments Pte. Ltd.	Singapore	**500**	500	500	**100**	100	100	Investment holding
Prodev Pte. Ltd.	Singapore	**10**	10	10	**100**	100	100	Investment holding
LKH (Saigon) Pte. Ltd.	Singapore	**10**	10	10	**100**	100	100	Struck off on 4 April 2019
Bali Investment Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Investment holding
Dalton Investment Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Struck off on 6 May 2019
Duxton Hotel (Pte.) Ltd.	Singapore	*****	*	*	**100**	100	100	Hotel management services
Domitian Investment Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Investment holding
Balestier Tower Pte. Ltd.	Singapore	**2,000**	2,000	2,000	**100**	100	100	Property development
Low Keng Huat (Construction) Pte. Ltd.	Singapore	**-**	*	*	**-**	100	100	Struck off on 7 May 2018
Starworth Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Investment holding
Siong Feng Development Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Investment holding
Huatland Development Pte. Ltd.	Singapore	**1,000**	1,000	1,000	**100**	100	100	Investment holding
East Peak Development Pte. Ltd.	Singapore	*****	*	*	**100**	100	100	Investment holding
Balance carried forward		**9,750**	9,750	9,750				

16 Subsidiaries (Cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments			Proportion of ownership interests and voting rights held by the Group			Principal activities
			31 January		1 February	31 January		1 February	
			2019	2018	2017	**2019**	2018	2017	
			$'000	$'000	$'000	**%**	%	%	
	Balance brought forward		**9,750**	9,750	9,750				
	<u>Subsidiaries held by the Company</u>								
	Kendall Pte. Ltd.	Singapore	**1**	1	1	**75**	75	75	Investment holding
	Paya Lebar Square Pte. Ltd.	Singapore	**550**	550	550	**55**	55	55	Property investment
(1)	Perumal Development Pte. Ltd.	Singapore	**2,000**	2,000	*	**100**	100	100	Property development
(2)	Glocity Capital Pte. Ltd.	Singapore	*****	*	–	**100**	100	–	Investment holding
(3)	Glopeak Development Pte. Ltd.	Singapore	**2,000**	–	–	**100**	–	–	Property development
(4)	LKHS Property Investment Pte. Ltd.	Singapore	*****	–	–	**100**	–	–	Investment holding
	<u>Subsidiary held by Bali Investment Pte. Ltd.</u>								
(5)	Vista Mutiara Sdn Bhd	Malaysia	**+**	+	+	**100**	100	100	Investment holding
	<u>Subsidiaries held by Starworth Pte. Ltd.</u>								
	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	**+**	+	+	**100**	100	100	Restaurant
	22 Dempsey Pte. Ltd.	Singapore	**-**	+	+	**–**	100	100	Struck off on 5 April 2018
	<u>Subsidiary held by Duxton Hotel (Pte.) Ltd.</u>								
	Duxton Hotels International Pty Ltd	Australia	**+**	+	+	**100**	100	100	Owner of trademark
	<u>Subsidiary held by Kendall Pte. Ltd.</u>								
(6)	Amuret Pty Ltd	Australia	**+**	+	+	**75**	75	75	Investment holding
	<u>Subsidiaries held by Low Keng Huat International Pte. Ltd.</u>								
(6)	Narymal Pty Ltd	Australia	**+**	+	+	**75**	75	75	Hotel management services
(7)	Shanghai Nova Realty Development Co., Ltd	People's Republic of China	**+**	+	+	**63**	63	63	Investment holding
	Balance carried forward		**14,301**	12,301	10,301				

16 Subsidiaries (Cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments			Proportion of ownership interests and voting rights held by the Group			Principal activities
			31 January		1 February	31 January		1 February	
			2019	2018	2017	**2019**	2018	2017	
			$'000	$'000	$'000	**%**	%	%	
	Balance brought forward		**14,301**	12,301	10,301				
	Subsidiary held by Quality Investments Pte. Ltd.								
	Herman Investments Pte. Ltd.	Singapore	**+**	+	+	**100**	100	100	Investment holding
	Subsidiary held by Siong Feng Development Pte. Ltd.								
	Paya Lebar Development Pte. Ltd.	Singapore	**+**	+	+	**80**	80	80	Property development
	Subsidiary held by East Peak Development Pte. Ltd.								
	Newfort Alliance (Kismis) Pte. Ltd.	Singapore	**+**	+	+	**70**	70	70	Property development
	Subsidiary held by Glocity Capital Pte. Ltd.								
(2) #	HThree Capital Pte.Ltd.	Singapore	**+**	+	–	**51**	100	–	Property fund management
			14,301	12,301	10,301				

* Represents amount less than $500

(1) In 2017, the Company increased its investment in Perumal Development Pte. Ltd. from $1 to $2,000,000. The effective equity interests in Perumal Development Pte. Ltd. before and after the increase in investment remain the same at 100%.

(2) Incorporated on 28 April 2017

(3) Incorporated on 2 February 2018

(4) Incorporated on 7 May 2018

(5) Audited by Crowe Horwath, Malaysia

(6) Audited by PricewaterhouseCoopers LLP, Australia

(7) Audited by Ruihua Certified Public Accountants Co., Ltd, People's Republic of China

\+ Interest held through subsidiaries

\# In the current year, Glocity Capital Pte. Ltd. increases its investment in the company from $2 to $10,000. In addition, the company issued a further 2,450 new shares of $2 each to a third party. The effective equity interests in the company after the increase in investment was reduced to 51%.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Profit/(Loss) allocated to non-controlling interests	Accumulated non-controlling interests	Dividends paid to non-controlling interests
		%	$'000	$'000	$'000
2019					
Held by the Company					
Paya Lebar Square Pte. Ltd.	Singapore	**45**	**1,752**	**18,587**	**–**
Kendall Pte. Ltd.	Singapore	**25**	**31**	**7,345**	**–**
Held by a subsidiary					
Narymal Pty Ltd	Australia	**25**	**148**	**1,685**	**(998)**
Newfort Alliance (Kismis) Pte. Ltd.	Singapore	**30**	**885**	**1,597**	**–**
2018					
Held by the Company					
Paya Lebar Square Pte. Ltd.	Singapore	45	1,428	16,960	–
Kendall Pte. Ltd.	Singapore	25	(146)	7,314	–
Held by a subsidiary					
Narymal Pty Ltd	Australia	25	7	2,748	–
Newfort Alliance (Kismis) Pte. Ltd.	Singapore	30	(771)	712	–
2017					
Held by the Company					
Paya Lebar Square Pte. Ltd.	Singapore	45	167	9,889	–
Kendall Pte. Ltd.	Singapore	25	7,281	7,460	–
Held by a subsidiary					
Narymal Pty Ltd	Australia	25	359	2,346	(954)
Newfort Alliance (Kismis) Pte. Ltd.	Singapore	30	(101)	1,483	–

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Summarised statement of financial position	Kendall Pte. Ltd. $'000	Paya Lebar Square Pte. Ltd. $'000	Newfort Alliance (Kismis) Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2019				
Non-current assets	**26,303**	**303,636**	**–**	**989**
Current assets	**4,613**	**21,454**	**12,749**	**8,343**
Non-current liabilities	**–**	**(270,290)**	**–**	**(747)**
Current liabilities	**(1,539)**	**(13,494)**	**(5,820)**	**(1,774)**
Equity attributable to owners of the Company	**22,032**	**22,719**	**5,332**	**5,126**
Non-controlling interests	**7,345**	**18,587**	**1,597**	**1,685**
2018				
Non-current assets	26,303	306,906	–	–
Current assets	4,617	25,771	138,575	13,369
Non-current liabilities	(627)	(281,197)	(131,451)	(524)
Current liabilities	(1,034)	(13,791)	(3,145)	(1,854)
Equity attributable to owners of the Company	21,945	20,729	3,267	8,243
Non-controlling interests	7,314	16,960	712	2,748
2017				
Non-current assets	26,302	310,053	–	332
Current assets	4,619	23,254	111,265	12,718
Non-current liabilities	–	(298,648)	(104,884)	(1,716)
Current liabilities	(1,079)	(12,684)	(919)	(1,947)
Equity attributable to owners of the Company	22,382	12,086	3,979	7,041
Non-controlling interests	7,460	9,889	1,483	2,346

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised statement of comprehensive income	Kendall Pte. Ltd. $'000	Paya Lebar Square Pte. Ltd. $'000	Newfort Alliance (Kismis) Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2019				
Revenue	**128**	**16,818**	**135,030**	**16,896**
Expenses	**(4)**	**(12,925)**	**(132,079)**	**(16,305)**
Profit/(loss) for the year	**124**	**3,893**	**2,951**	**591**
Net profit/(loss) and total comprehensive income/(expense) attributable to				
- Owners of the Company	**93**	**2,141**	**2,066**	**443**
- Non-controlling interests	**31**	**1,752**	**885**	**148**
Net profit/(loss) and total comprehensive income/(expense) for the year	**124**	**3,893**	**2,951**	**591**
2018				
Revenue	–	17,287	21,616	19,961
Expenses	(584)	(14,114)	(24,185)	(19,934)
Profit/(loss) for the year	(584)	3,173	(2,569)	27
Net profit/(loss) and total comprehensive income/(expense) attributable to				
- Owners of the Company	(438)	1,745	(1,798)	20
- Non-controlling interests	(146)	1,428	(771)	7
Net profit/(loss) and total comprehensive income/(expense) for the year	(584)	3,173	(2,569)	27

16 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Other summarised information	Kendall Pte. Ltd. $'000	Paya Lebar Square Pte. Ltd. $'000	Newfort Alliance (Kismis) Pte. Ltd. $'000	Narymal Pty. Ltd. $'000
2019				
Net cash inflow/(outflow) from operating activities	**(579)**	**7,209**	**111,190**	**852**
Net cash inflow/(outflow) from investing activities	**–**	**63**	**–**	**(989)**
Net cash inflow/(outflow) from financing activities	**575**	**(11,700)**	**(118,238)**	**(3,595)**
Net cash inflow/(outflow)	**(4)**	**(4,428)**	**(7,048)**	**(3,732)**
2018				
Net cash inflow/(outflow) from operating activities	(3)	10,280	(9,393)	573
Net cash inflow/(outflow) from investing activities	–	103	–	–
Net cash inflow/(outflow) from financing activities	3	3,700	17,500	2,567
Net cash inflow/(outflow)	–	14,083	8,107	3,140

17 Investment properties

		The Group		The Company	
		31 January		31 January	
		2019	2018	**2019**	2018
	Note	**$'000**	$'000	**$'000**	$'000
Cost					
Balance at beginning of year		**284,524**	324,132	**19,061**	19,061
Additions		**190**	2,630	**–**	–
Transfer to development properties	10(b)	**–**	(42,238)	**–**	–
Transfer to property, plant and equipment	18	**(581)**	–	**–**	–
Balance at end of year		**284,133**	284,524	**19,061**	19,061
Accumulated depreciation					
Balance at beginning of year		**10,193**	7,220	**647**	448
Depreciation for the year	34	**2,967**	2,973	**199**	199
Transfer to property, plant and equipment	18	**(215)**	–	**–**	–
Balance at end of year		**12,945**	10,193	**846**	647
Accumulated impairment loss					
Balance at beginning of year		**–**	6,913	**–**	–
Reversal of impairment loss upon transfer to development properties	30,34	**–**	(6,913)	**–**	–
Balance at end of year		**–**	–	**–**	–
Net book value		**271,188**	274,331	**18,215**	18,414
Fair value		**421,300**	422,534	**21,700**	21,503

The Group's and the Company's net book value and fair value of the investment properties as at 1 February 2017 are as follows:

	The Group	The Company
	$'000	$'000
Net book value	309,999	18,613
Fair value	455,808	19,791

(a) Investment properties are leased to third parties under operating leases [Note 39.1(b)].

17 Investment properties (Cont'd)

(b) The following amounts are recognised in the consolidated income statement:

The Group	Note	31 January 2019 $'000	31 January 2018 $'000
Income			
Rental income included in:			
- Revenue		**16,927**	17,287
- Other operating income	30	**603**	832
Expenses			
Direct operating expenses arising from:			
- Investment properties that generated rental income		**6,125**	6,378
- Investment properties that did not generate rental income		**110**	63

(c) The investment properties as at the end of reporting period held by the Group comprise:

	Location	Description	Area (sq. metres)	Tenure	Net book value 31 January 2019 $'000	31 January 2018 $'000	1 February 2017 $'000
(1a)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	1 office unit	86	Leasehold 99 years commencing 17 August 1979	**–**	366	372
(1b)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	1 office unit	148	Leasehold 99 years commencing 17 August 1979	**619**	629	640
(2)	60 Paya Lebar Road, Paya Lebar Square Retail Podium, Singapore	159 retail units	12,374	Leasehold 99 years commencing 25 July 2011	**256,052**	258,660	261,457
(3)	60 Paya Lebar Road, Paya Lebar Square Office block, Singapore	4 office units	1,005	Leasehold 99 years commencing 25 July 2011	**14,517**	14,676	14,834
(4)	207 Balestier Road Balestier Tower, Singapore	31 Commercial retail units	2,525	Freehold	**–**	–	32,696
					271,188	274,331	309,999

17 Investment properties (Cont'd)

(c) The investment properties as at the end of reporting period held by the Group comprise: (Cont'd)

Notes:

(1a) During the financial year ended 31 January 2019, the office unit is transferred from investment properties to property, plant and equipment because this office unit is used by the Group.

The Directors of the Company estimated the fair value as at 31 January 2019 to be $1,511,000 (2018 - $1,481,000; 1 February 2017 - $1,348,000) for the office unit located at 80 Marine Parade Road based on the property's highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

(1b) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd., valued the office unit to be $2,600,000 (2018 - $2,550,000; 1 February 2017 - $2,319,000) located at 80 Marine Parade Road based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method.

(2) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd., valued the retail units to be $397,000,000 (2018 - $397,000,000; 1 February 2017 - $397,000,000) as at 31 January 2019 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method.

At the end of reporting period, this property had been pledged to a financial institution to secure bank borrowings (Note 24).

(3) The Directors of the Company estimated the fair value as at 31 January 2019 to be $21,700,000 (2018 - $21,503,000; 1 February 2017 - $19,791,000) for these 4 office units located at 60 Paya Lebar Road based on the property's highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

(4) In financial year 2018, the Group reclassified $42,238,000 being the cost of commercial retail units from investment property to development property [Note 10(b)] due to a change in use of the property.

It was planned for the commercial retail units to be rented to third parties and hence, it was classified as investment property in accordance with SFRS 40. However, during the financial year 2018, the management had decided to sell the commercial retail units due to the poor retail spending and rental as well as to expedite the return on investment of retail units upon re-development. Accordingly, the investment property had been reclassified to development property.

On 31 January 2017, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd., valued the property under development to be $141,000,000 as at 31 January 2017 based on the property's land value of a mixed commercial cum serviced apartment development using the Direct Comparison Method.

In financial year 2017, this property was pledged to a financial institution to secure bank borrowings (Note 24).

Valuation techniques and inputs used

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique use.

Level 2 fair values of the Group's properties were derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square metre.

There were no changes in valuation techniques during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 January 2019 and 2018.

17 Investment properties (Cont'd)

Valuation processes of the Group

The Group engages both internal management's experts and external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest-and-best use. As at 31 January 2019, 2018 and 2017, the fair values of the properties have been determined by the Directors and Savills Valuation & Professional Services (S) Pte. Ltd..

The finance department of the Group reviews the valuations of assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO, the finance team and management's experts at least annually.

At each financial year end the finance department:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the annual valuation discussions between the CFO and the finance team.

18 Property, plant and equipment

The Group	Note	Freehold property $'000	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction-in-progress $'000	Total $'000
Cost									
At 1 February 2017		24,771	7,764	41,092	2,923	2,744	2,070	118,824	200,188
Additions		–	–	370	199	49	9	92,893	93,520
Written off		–	–	(125)	–	(26)	(575)	–	(726)
Disposals		–	–	(97)	(230)	(6)	(55)	–	(388)
Exchange translation difference		(289)	–	(525)	–	(22)	–	–	(836)
At 31 January 2018		**24,482**	**7,764**	**40,715**	**2,892**	**2,739**	**1,449**	**211,717**	**291,758**
Additions		**–**	**141**	**1,528**	**1,168**	**53**	**1,091**	**28,113**	**32,094**
Written off		**–**	**–**	**(2,069)**	**–**	**(526)**	**(216)**	**–**	**(2,811)**
Disposals		**–**	**(299)**	**(26)**	**(1,077)**	**(1)**	**–**	**–**	**(1,403)**
Transfer from investment properties	17	**–**	**581**	**–**	**–**	**–**	**–**	**–**	**581**
Reclassification		**–**	**–**	**1,092**	**–**	**(33)**	**–**	**–**	**1,059**
Exchange translation difference		**(1,751)**	**(7)**	**(3,309)**	**(3)**	**(132)**	**(21)**	**–**	**(5,223)**
At 31 January 2019		**22,731**	**8,180**	**37,931**	**2,980**	**2,100**	**2,303**	**239,830**	**316,055**
Accumulated depreciation									
At 1 February 2017		3,441	2,303	32,228	965	2,036	1,020	–	41,993
Depreciation for the year		211	80	1,132	291	201	145	–	2,060
Written off		–	–	(125)	–	(26)	(564)	–	(715)
Disposals		–	–	(3)	(192)	(6)	(55)	–	(256)
Exchange translation difference		(45)	2	(356)	–	(18)	–	–	(417)
At 31 January 2018		**3,607**	**2,385**	**32,876**	**1,064**	**2,187**	**546**	**–**	**42,665**
Depreciation for the year		**199**	**97**	**873**	**290**	**181**	**146**	**–**	**1,786**
Written off		**–**	**–**	**(2,049)**	**–**	**(517)**	**(27)**	**–**	**(2,593)**
Disposals		**–**	**(243)**	**–**	**(567)**	**–**	**–**	**–**	**(810)**
Transfer from investment properties	17	**–**	**215**	**–**	**–**	**–**	**–**	**–**	**215**
Reclassification		**–**	**–**	**1,008**	**–**	**51**	**–**	**–**	**1,059**
Exchange translation difference		**(295)**	**(6)**	**(2,629)**	**(2)**	**(112)**	**–**	**–**	**(3,044)**
At 31 January 2019		**3,511**	**2,448**	**30,079**	**785**	**1,790**	**665**	**–**	**39,278**

18 Property, plant and equipment (Cont'd)

The Group	Note	Freehold property $'000	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction-in-progress $'000	Total $'000
Accumulated impairment loss									
At 1 February 2017		–	–	52	–	29	185	20,738	21,004
Impairment loss	32,34	–	–	15	–	–	–	–	15
At 31 January 2018		**–**	**–**	**67**	**–**	**29**	**185**	**20,738**	**21,019**
Written off		**–**	**–**	**(19)**	**–**	**(10)**	**(185)**	**–**	**(214)**
At 31 January 2019		**–**	**–**	**48**	**–**	**19**	**–**	**20,738**	**20,805**
Net book value									
At 31 January 2019		**19,220**	**5,732**	**7,804**	**2,195**	**291**	**1,638**	**219,092**	**255,972**
At 31 January 2018		20,875	5,379	7,772	1,828	523	718	190,979	228,074
At 1 February 2017		21,330	5,461	8,812	1,958	679	865	98,086	137,191

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18 Property, plant and equipment (Cont'd)

The Company	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Total $'000
Cost						
At 1 February 2017	4,009	84	2,888	684	655	8,320
Additions	–	–	198	–	–	198
Disposals	–	–	(230)	–	–	(230)
At 31 January 2018	**4,009**	**84**	**2,856**	**684**	**655**	**8,288**
Additions	**–**	**–**	**1,168**	**45**	**–**	**1,213**
Disposals	**–**	**–**	**(1,078)**	**–**	**–**	**(1,078)**
At 31 January 2019	**4,009**	**84**	**2,946**	**729**	**655**	**8,423**
Accumulated depreciation						
At 1 February 2017	1,312	77	943	392	75	2,799
Depreciation for the year	44	–	286	110	65	505
Disposals	–	–	(192)	–	–	(192)
At 31 January 2018	**1,356**	**77**	**1,037**	**502**	**140**	**3,112**
Depreciation for the year	**43**	**3**	**286**	**86**	**67**	**485**
Disposals	**–**	**–**	**(566)**	**–**	**–**	**(566)**
At 31 January 2019	**1,399**	**80**	**757**	**588**	**207**	**3,031**
Net book value						
At 31 January 2019	**2,610**	**4**	**2,189**	**141**	**448**	**5,392**
At 31 January 2018	2,653	7	1,819	182	515	5,176
At 1 February 2017	2,697	7	1,945	292	580	5,521

18 Property, plant and equipment (Cont'd)

	The Group		The Company	
	31 January		31 January	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Depreciation expense charged to:				
Construction costs	**70**	99	**70**	99
Income statement	**1,716**	1,961	**415**	406
	1,786	2,060	**485**	505

(i) The freehold property comprises:

Location	Description	Land area (sq. metres)	Tenure
No.1 St. George's Terrace Perth Western Australia Australia	306-room Duxton Hotel, Perth	3,410	Freehold

During the financial year, a firm of independent professional valuers, Savills Valuation Pty Ltd valued the freehold property to be $83,037,000 (2018 - $110,115,000; 1 February 2017 - $111,519,000) as at 31 January 2019 based on the property's highest-and-best use using the Value-In-Use Method. Accordingly, there is no impairment required in financial year ended 31 January 2019.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique use.

(ii) The leasehold properties as at the end of the reporting period comprise:

	Location	Description	Area (sq. metres)	Tenure	Net book value 31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
(1a)	80 Marine Parade Road 18th Floor of Parkway Parade Singapore	7 office units	804	99 years lease commencing 17 August 1979	**3,579**	3,566	3,629
(1b)	80 Marine Parade Road 18th Floor of Parkway Parade Singapore	1 office unit	86	99 years lease commencing 17 August 1979	**360**	–	–
(2)	60 Paya Lebar Road 4th Floor of Paya Lebar Square Singapore	1 office unit	123	99 years lease commencing 25 July 2011	**1,793**	1,813	1,832
					5,732	5,379	5,461

18 Property, plant and equipment (Cont'd)

(ii) The leasehold properties as at the end of the reporting period comprise: (Cont'd)

Notes:

(1a) The Directors of the Company estimated the fair value as at 31 January 2019 to be $14,124,000 (2018 - $13,847,000; 1 February 2017 - $12,599,000) for these 7 office units located at 80 Marine Parade Road based on the properties' highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

(1b) The Directors of the Company estimated the fair value as at 31 January 2019 to be $1,511,000 (2018 - $Nil; 1 February 2017 - $Nil) for this office unit located at 80 Marine Parade Road based on the property's highest-and-best use using the current market trend and with reference to indicative prices for similar office units in the area.

(2) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the office unit located at 60 Paya Lebar Road to be $2,740,000 (2018 - $2,640,000; 1 February 2017 - $2,429,000) for based on the property's highest-and-best use using the Direct Comparison Method and with reference to indicative prices for similar office units in the area.

The fair value measurement was categorised as Level 2 fair value based on the inputs in the valuation technique use.

(iii) The properties under construction-in-progress comprises:

	Location	Description	Area (sq. metres)	Tenure
(a)	207 Balestier Road Citadines Balestier Singapore	Mixed commercial development - Serviced apartments	7,662	Freehold
(b)	2 Perumal Road, Lyf @ Farrer Singapore	Mixed commercial and residential development - Serviced apartments	7,521	99 years leasehold

(a) In financial year ended 31 January 2017, an impairment loss of $3,338,000 was recognised and it represents the write-down of this freehold property to its recoverable value. The recoverable amount was determined at the cash generating unit level (the freehold property) and is based on the market price determined by the independent valuer with respect to amounts received in selling this property.

During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the property under development at Citadines Balestier to be $217,900,000 as at 31 January 2019 (2018 - $171,700,000) based on the property's fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method. The amount consists of $163,425,000 (2018 - $128,775,000) and $54,475,000 (2018 - $42,925,000) allocated to property, plant and equipment and development property respectively. Accordingly, there is no impairment required in financial year ended 31 January 2019. Construction for Citadines Balestier is 88% completed as at 31 January 2019 (2018 - 20%) .

The valuation for Citadines Balestier as at 1 February 2017 was $141,400,000 based on land cost as construction work had not commenced then. Accordingly, there was no impairment required.

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique use.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 24).

18 Property, plant and equipment (Cont'd)

(iii) The properties under construction-in-progress comprises: (Cont'd)

(b) During the financial year, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte. Ltd. valued the property under development to be $245,600,000 as at 31 January 2019 based on the property's fair value of a mixed commercial cum serviced apartments development using the Direct Comparison Method. The amount consists of $115,432,000 and $130,168,000 allocated to property, plant and equipment and development property respectively. Accordingly, there is no impairment required in financial year ended 31 January 2019. Construction for Lyf @ Farrer is 13% completed as at 31 January 2019.

The valuation for Lyf @ Farrer as at 31 January 2018 was $178,000,000 (1 February 2017 - $Nil) based on land cost as construction work had not commenced then. Accordingly, there was no impairment required.

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique use.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings (Note 24).

(iv) Motor vehicles costing $2,946,000 (2018 - $2,856,000; 1 February 2017 - $2,888,000) for the Company and $2,980,000 (2018 - $2,892,000; 1 February 2017 - $2,923,000) for the Group are registered in the names of certain directors and employees. These are held in trust for the Company and for the respective companies in the Group.

19 Deferred taxation

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

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Deferred tax assets			
To be recovered			
- Within one year	**370**	402	332
- After one year	**–**	–	–
	370	402	332
Deferred tax liabilities			
To be settled			
- Within one year	**42**	42	42
- After one year	**2,775**	2,818	2,121
	2,817	2,860	2,163

19 Deferred taxation (Cont'd)

The Group	2019 $'000	2018 $'000
Deferred tax assets		
Balance at beginning of year	**402**	332
Transfer to income statement (Note 35)	**(1)**	74
Exchange fluctuation difference	**(31)**	(4)
Balance at end of year	**370**	402
Deferred tax liabilities		
Balance at beginning of year	**2,860**	2,163
Transfer to income statement (Note 35)	**(43)**	697
Balance at end of year	**2,817**	2,860

The deferred tax assets balance comprises tax on the following temporary differences:

The Group	Excess of tax written down value over net book value of property, plant and equipment $'000
At 1 February 2017	332
Transfer to income statement	74
Exchange fluctuation difference	(4)
At 31 January 2018	**402**
Transfer to income statement	**(1)**
Exchange fluctuation difference	**(31)**
At 31 January 2019	**370**

The deferred tax liabilities balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of property, plant and equipment $'000	Dividends and interest income not remitted $'000	Total $'000
At 1 February 2017	2,163	–	2,163
Transfer to income statement	697	–	697
At 31 January 2018	**2,860**	**–**	**2,860**
Transfer to income statement	**(43)**	**–**	**(43)**
At 31 January 2019	**2,817**	**–**	**2,817**

20 Trade and other payables

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Trade payables	**15,545**	10,892	18,304	**11,358**	10,242	16,925
Other payables						
Accruals	**1,670**	2,475	1,129	**743**	1,343	707
Deposits received from third parties	**4,074**	7,775	5,983	**14**	85	85
Payables for directors' profit sharing	**–**	–	3,149	**–**	–	3,149
Rental received in advance	**101**	212	82	**65**	65	11
Interest payable	**757**	696	593	**–**	26	–
GST payable	**228**	404	94	**63**	165	–
Amount owing to a related party	**–**	4	–	**–**	–	–
Amount owing to a subsidiary	**–**	–	–	**4,200**	4,200	–
Provision for staff leave	**822**	956	814	**–**	–	–
Sundry payables	**834**	1,329	1,476	**152**	254	294
	8,486	13,851	13,320	**5,237**	6,138	4,246
	24,031	24,743	31,624	**16,595**	16,380	21,171

Trade and other payables are denominated in the following currencies:

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**22,206**	22,554	29,534	**16,595**	16,380	21,171
Australian dollar	**1,820**	1,905	2,012	**–**	–	–
Chinese Renminbi	**–**	279	73	**–**	–	–
Malaysian Ringgit	**5**	5	5	**–**	–	–
	24,031	24,743	31,624	**16,595**	16,380	21,171

21 Amounts owing to joint ventures (non-trade)

The Group and The Company

The amounts owing to joint ventures represent advances which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to joint ventures are denominated in the following currencies:

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Singapore dollar	**2**	2	2	**2**	2	2
United States dollar	**444**	432	468	**195**	195	195
	446	434	470	**197**	197	197

22 Amounts owing to non-controlling shareholders of subsidiaries (non-trade)

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Non-trade amounts owing to non-controlling shareholders of subsidiaries			
- Advances	**400**	434	440
- Non-interest bearing loans	**35,957**	44,690	50,333
- Notional interest on loans	**4,949**	5,384	4,588
- Interest on loans	**3,236**	3,236	3,236
	44,542	53,744	58,597
Amount repayable:			
Not later than one year	**1,413**	434	440
Later than one year and not later than five years	**43,129**	8,532	58,157
Later than five years	**–**	44,778	–
	43,129	53,310	58,157
	44,542	53,744	58,597

<u>Advances</u>

The Advances of $400,000 (2018 - $434,000; 1 February 2017 - $440,000) owing to non-controlling shareholders of subsidiaries, are unsecured, interest-free and repayable on demand.

22 Amounts owing to non-controlling shareholders of subsidiaries (non-trade) (Cont'd)

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans of $44,142,000 (2018 - $53,310,000; 1 February 2017 - $58,157,000). Discount rate of 5% (2018 - 4%; 1 February 2017 - 4%) per annum has been applied to calculate the notional interest on an annual re-pricing basis up till the repayment dates, 28 February 2019, being the earliest date and 3 August 2023, being the latest date. The carrying amount approximates its fair value.

The non-trade amounts owing to non-controlling shareholders of subsidiaries are denominated in the following currencies:

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Singapore dollar	**44,142**	53,310	58,157
Australian dollar	**400**	434	440
	44,542	53,744	58,597

23 Provision

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Reinstatement of premises	**24**	46	77

Provision for reinstatement of premises is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition and use of restaurant assets, which are capitalised and included in the cost of plant and equipment. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature. The Group expects to incur the liability over the next one year.

Movement in provision for reinstatement of premises is as follows:

		2019	2018
The Group	Note	**$'000**	$'000
Balance at beginning of year		**46**	77
Amortisation of discount		**–**	1
Provision utilised		**(5)**	(28)
Provision no longer required	34	**(17)**	(4)
Balance at end of year		**24**	46

24 Bank borrowings

The Group	31 January 2019 $'000	31 January 2018 $'000	1 February 2017 $'000
Revolving credit loan - unsecured	**–**	20,000	–
Term loans - secured	**447,197**	353,084	360,284
	447,197	373,084	360,284
Amount repayable:			
Not later than one year	**106,089**	126,089	7,200
Later than one year and not later than five years	**341,108**	96,935	353,084
Later than five years	**–**	150,060	–
	341,108	246,995	353,084
	447,197	373,084	360,284

The Company	31 January 2019 $'000	31 January 2018 $'000	1 February 2017 $'000
Revolving credit loan - unsecured	**–**	20,000	–
Amount repayable:			
Not later than one year	**–**	20,000	–

All bank borrowings are denominated in Singapore dollar.

Term loans totalling $447,197,000 (2018 - $353,084,000; 1 February 2017 - $360,284,000) are secured by mortgages over the development properties [Note 10(b)], investment properties [Notes 17(c)(2) and 17(c)(4)] and property, plant and equipment [Note 18(iii)] of certain subsidiaries and charges on all new assignments of tenancy, sales agreements and construction contracts and a fixed deposit of $3,600,000 (2018 - $3,600,000; 1 February 2017 - $14,500,000) of a subsidiary (Note 4).

24 Bank borrowings (Cont'd)

The maturity dates of bank borrowings are as follows:

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Repayable on/by						
23 May 2018	**–**	20,000	–	**–**	20,000	–
31 December 2018	**–**	98,889	98,889	**–**	–	–
28 February 2019	**–**	68,135	68,135	**–**	–	–
30 September 2019	**98,889**	–	–	**–**	–	–
17 July 2023	**104,448**	–	–	**–**	–	–
3 August 2023	**178,860**	186,060	193,260	**–**	–	–
5 September 2023	**65,000**	–	–	**–**	–	–
	447,197	373,084	360,284	**–**	20,000	–

The amount repayable within one year is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

The Group has financial covenants attached to all term loans granted to certain subsidiaries which relate to restriction of limits imposed on certain ratios to be maintained by the said subsidiaries. During the financial year ended 31 January 2019, there are no known instances of any breach of loan covenants of the Group and its subsidiaries.

The effective interest rate per annum for the Group's borrowings is 2.94% (2018 - 2.28%; 1 February 2017 - 2.08%) per annum.

The interest rates are repriced monthly.

The carrying amounts of the Group's borrowings approximate their fair values.

The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet its normal operating commitments and having an adequate amount of committed credit facilities.

25 Share capital

	Number of ordinary shares 31 January		Amount 31 January	
	2019	2018	**2019**	2018
The Group and The Company			**$'000**	$'000
Issued and fully paid, with no par value				
Balance at beginning and at end of year	**738,816,000**	738,816,000	**161,863**	161,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank equally with regard to the Company's residual assets.

26 Capital reserve

	31 January	
	2019	2018
The Group	**$'000**	$'000
Balance at beginning and at end of year	**(2,005)**	(2,005)

Capital reserve represents excess of consideration paid in the acquisition of the non-controlling interest in a subsidiary.

27 Fair value reserve

	The Group 31 January		The Company 31 January	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**16,843**	7,764	**975**	713
Fair value gain recycled to profit or loss on derecognition	**–**	(3,290)	**–**	–
Financial assets, available-for-sale – reclassified to profit or loss (Note 32, 34)	**–**	2,025	**–**	–
Fair value gain recycled to retained earnings on derecognition	**(1,874)**	–	**–**	–
Net fair value gain/(loss) on financial assets, at FVOCI/available-for-sale (Note 11, 12)	**(7,682)**	10,344	**(69)**	262
	(9,556)	9,079	**(69)**	262
Balance at end of year	**7,287**	16,843	**906**	975

Fair value reserve arises from surplus on revaluation of financial assets held as at FVOCI/available-for-sale held as at the end of reporting period.

28 Currency translation reserve

The Group	31 January **2019** **$'000**	2018 (restated) $'000
Balance at beginning of year, as previously reported	**(103)**	2,034
Effect of applying SFRS(I) 1	**–**	(2,034)
Balance at beginning of year, as restated	**(103)**	–
Exchange fluctuation difference during the year	**(1,879)**	(105)
Reserves arising from non-interest bearing loans from non-controlling shareholders	**–**	2
Balance at end of year	**(1,982)**	(103)

The currency translation reserve is a non-distributable reserve and relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries, associate companies and joint ventures.

29 Revenue

Revenue of the Group includes revenue from sale of development properties, hotel operations, rental income, food and beverage operations and excludes inter-company transactions, and applicable goods and services taxes or value-added taxes.

The Group derives revenue from transfer of goods and services over time and at a point in time as follows:

	2019			2018		
The Group	**At a point in time $'000**	**Over time $'000**	**Total $'000**	At a point in time $'000	Over time $'000	Total $'000
Sales of development properties	**–**	**135,030**	**135,030**	–	32,100	32,100
Rental income	**–**	**16,927**	**16,927**	–	17,287	17,287
Hotel operations	**5,668**	**11,228**	**16,896**	–	19,961	19,961
Food and beverage operations	**1,921**	**–**	**1,921**	3,321	–	3,321
Others	**–**	**622**	**622**	–	–	–
	7,589	**163,807**	**171,396**	3,321	69,348	72,669

The segment analysis of the Group is disclosed in Note 40 to the financial statements.

30 Other operating income

The Group	Note	2019 $'000	2018 (restated) $'000
Dividend income from quoted equity investments	34	**1,644**	1,275
Exchange gain	34	**1,796**	–
Fair value gain on financial assets at fair value through profit or loss	5,34	**–**	852
Gain on disposal of joint venture	14,34	**–**	11
Gain on disposal of property, plant and equipment	34	**2,669**	19
Gain on disposal of marketable securities	34	**–**	3,339
Loss allowance on receivables no longer required	6,34	**–**	151
Reversal of impairment loss upon transfer to development properties	17,34	**–**	6,913
Interest income			
- Banks		**92**	370
- Fixed deposits		**1,520**	1,416
- Joint ventures		**695**	2,207
- Non-controlling interest		**172**	169
- Unquoted junior bonds		**2,356**	2,797
- Others		**240**	18
		5,075	6,977
Rental income - investment properties	17(b)	**603**	832
Management fee		**320**	224
Sundry income		**375**	585
		12,482	21,178

31 Administrative costs

The Group	Note	2019 $'000	2018 $'000
Employee benefit costs		**5,608**	4,302
Depreciation of property, plant and equipment		**541**	529
Depreciation of investment properties		**159**	159
Directors' fee	34	**259**	245
Credit card commission expenses		**60**	73
Reimbursement of Stamp Duty		**–**	54
Property tax		**102**	103
Operating lease rentals		**171**	192
Travelling and transportation expenses		**147**	143
Others		**2,069**	1,682
		9,116	7,482

32 Other operating expenses

The Group	Note	**2019 $'000**	2018 $'000
Exchange loss	34	**–**	4,461
Hotel maintenance and utilities		**1,534**	1,654
Impairment loss on property, plant and equipment	18,34	**–**	15
Impairment loss on available-for-sale financial assets	27,34	**–**	2,025
Loss allowance on receivables (net)	6,34	**82**	–
Bad debt written off	34	**3**	98
Property, plant and equipment written off	18,34	**4**	10
Fair value loss on financial assets at fair value through profit or loss	5,34	**793**	–
Others		**4**	–
		2,420	8,263

33 Finance costs

The Group	**2019 $'000**	2018 (restated) $'000
Interest expense		
- Loans	**7,065**	6,094
- Non-controlling shareholders	**647**	984
	7,712	7,078

Finance costs relate to interest expense on bank loans (see Note 24) and shareholders' loan.

34 Profit before taxation

The Group	Note	2019 $'000	2018 (restated) $'000
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee:			
- Auditors of the Company			
- Current year		**187**	202
- Under/(over) provision in respect of prior years		**13**	(14)
- Other auditors			
- Current year		**71**	67
- Under/(over) provision in respect of prior years		**–**	7
Non-audit fees:			
- Auditors of the Company			
- Current year		**24**	2
- (Over)/under provision in respect of prior years		**(1)**	1
- Other auditors			
- Current year		**62**	89
- Under/(over) provision in respect of prior years		**1**	18
Depreciation of:			
- Investment properties	17	**2,967**	2,973
- Property, plant and equipment	18	**1,786**	2,060
Exchange (gain)/loss	30,32	**(1,796)**	4,461
Fair value loss/(gain) on financial assets at fair value through profit or loss	5,30,32	**793**	(852)
Gain on disposal of property, plant and equipment	30	**(2,669)**	(19)
Gain on disposal of joint venture	14,30	**–**	(11)
Gain on disposal of marketable securities	30	**–**	(3,339)
Dividend income from quoted equity investments	30	**(1,644)**	(1,275)
Property, plant and equipment written off	32	**4**	10
Loss allowance on:			
- Receivables (net)	6,32	**82**	–
- Available-for-sale financial assets	27,32	**–**	2,025
- Property, plant and equipment	18,32	**–**	15
Loss allowance no longer required for:			
- Investment properties	17,30	**–**	(6,913)
- Receivables	6,30	**–**	(151)
Bad debt written off	32	**3**	98
Operating lease rentals		**4,179**	1,015
Provision no longer required for:			
- Reinstatement of premises	23	**(17)**	(4)
Employee benefit costs:			
Directors' fee	31	**259**	245
Directors of the Company			
- Salaries and other related costs		**2,361**	2,084
- CPF contributions and other equivalent contributions		**25**	27
Key management personnel (other than directors)			
- Salaries, wages and other related costs		**1,670**	1,400
- CPF contributions and other equivalent contributions		**39**	39
		4,354	3,795
Other than key management personnel			
- Salaries, wages and other related costs		**11,778**	12,153
- CPF contributions and other equivalent contributions		**1,122**	1,189
		17,254	17,137
Cost of sales:			
- Current		**139,585**	51,358
- Project costs written back		**(1,292)**	(8,489)
		138,293	42,869

35 Taxation

The Group	Note	**2019** **$'000**	2018 (restated) $'000
Tax recognised in profit or loss			
Current taxation			
- Singapore		**3,072**	2,900
- Foreign		**489**	706
		3,561	3,606
Deferred taxation	19	**(44)**	626
Tax expense		**3,517**	4,232
Overprovision in respect of prior years			
- Current taxation		**(752)**	(282)
- Deferred taxation	19	**–**	(3)
		(752)	(285)
		2,765	3,947

The tax expense on the Group's results before tax differs from the theoretical amount that would arise using the various applicable corporate tax rates of income tax as follows:

The Group	**2019** **$'000**	2018 (restated) $'000
Profit/(loss) before taxation	**21,511**	22,905
Share of results of joint ventures and associate companies	**(2,067)**	2,766
	19,444	25,671
Tax at domestic rate applicable to profits in the countries concerned(1)	**4,431**	8,389
Tax effect on non-deductible expenses(2)	**258**	9,582
Tax effect on non-taxable income(3)	**(999)**	(14,323)
Tax effect on temporary differences not recognised in prior years	**(126)**	159
Tax incentives	**–**	(56)
Tax effect on Singapore statutory stepped income exemption	**(69)**	(127)
Foreign tax	**22**	608
Overprovision of taxation in respect of prior years	**(752)**	(285)
	2,765	3,947

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

(2) This relates to disallowed expenditures incurred in the ordinary course of business which includes depreciation on non-qualifying assets and interest charged on non-interest bearing loans from non-controlling shareholders. In prior year, the disallowed expenditures includes impairment on unquoted equity investment in its fellow subsidiaries.

(3) This relates to non-taxable income occurred in the ordinary course of business which includes notional interest income charged to joint ventures and one-tier tax exempt dividend income. In prior year, the non-taxable income includes gain on disposal of property, plant and equipment, impairment losses no longer required for unquoted equity investment in joint venture and notional interest income charged to joint ventures.

35 Taxation (Cont'd)

As at the end of reporting period, the Group had unabsorbed capital allowances and tax losses amounting to $Nil (2018 - $205,000) and $3,500,000 (2018 - $4,036,000) respectively in relation to certain subsidiaries incorporated in Singapore, which are subject to agreement with the tax authorities. These unabsorbed capital allowances and tax losses could be carried forward for offsetting against future taxable income provided that the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Cap. 134 are complied with.

Unutilised tax benefits totalling $595,000 (2018 - $721,000) arising from these unabsorbed capital allowances and tax losses have not been recognised as there is no reasonable certainty of their realisation in future periods.

The effective tax rate of the Group is 12.9% (2018 - 17.2%).

36 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the consolidated income statement and share data used in the computation of basic and diluted earnings per share from continuing operations for the financial years ended 31 January:

The Group	**2019** **$'000**	2018 (restated) $'000
Net profit/(loss) attributable to equity holders of the Group	**15,447**	17,763
Weighted average number of ordinary shares for purpose of calculating basic and diluted earnings per share (Note 25)	**738,816,000**	738,816,000
Basic and diluted earnings per share (cents)	**2.09**	2.40

As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is the same as the diluted earnings per share.

37 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following are significant transactions that took place between the Group and related parties at mutually agreed amounts:

The Group	2019 $'000	2018 $'000
Charged by non-controlling shareholder of a subsidiary		
- Management fee	**783**	–
Charged by a related party		
- Executive directors service fee	**81**	81
Capital contribution from a non-controlling shareholder to a subsidiary	**5**	–
Repayment of shareholder loans to non-controlling shareholders of a subsidiary	**9,766**	–
Dividends paid to non-controlling shareholders of subsidiaries	**998**	1,960
Shareholders' loans to a joint venture	**580**	558
Settlement of liabilities on behalf of joint ventures	**–**	100
Repayment of advances by joint ventures	**–**	164
Repayment of shareholder loans by joint ventures	**3,000**	–
Charged by a related party of an associate company		
- Rental expense	**411**	373
- General expense	**1**	1
Charged to a related party of an associate company		
- Sales	**2**	–
Investment in an associate company	**400**	–
Advances to an associate company	**12,337**	1,683
Management fee charged to an associate company	**224**	224
Interest on junior bonds receivable from an associate company	**2,356**	2,797

38 Dividends

The Company	**2019 $'000**	2018 $'000
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 1.5 (2018 - 2.0) cents per share, tax exempt	**11,082**	14,776
Dividends paid		
- Ordinary dividends:		
First and final dividend of 2.0 (2018 - 3.0) cents per share, tax exempt paid in respect of the previous financial year	**14,776**	22,164
- Special dividends:		
First and final dividend of Nil (2018 - 1.0) cents per share, tax exempt paid in respect of the previous financial year	**–**	7,388
	14,776	29,552

At the forthcoming Annual General Meeting, a first and final tax-exempt (one-tier) ordinary dividend of 1.5 cents (2018 - 2.0 cents) per share amounting to $11,082,000 (2018 - $14,776,000) will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 January 2020.

39 Commitments

39.1 Operating lease commitments (non-cancellable)

(a) *Where Group and Company are the lessees*

Certain leases have varying terms, escalation clauses and renewal rights. At the end of reporting period, the Group and the Company were committed to making payments in respect of rental of premises and office equipment with remaining contractual terms ranging from 1 year to 5 years as follows:

	31 January		1 February
The Group	**2019 $'000**	2018 $'000	2017 $'000
Not later than one year	**333**	341	1,130
Later than one year and not later than five years	**51**	315	417
	384	656	1,547

	31 January		1 February
The Company	**2019 $'000**	2018 $'000	2017 $'000
Not later than one year	**8**	75	81
Later than one year and not later than five years	**12**	153	207
	20	228	288

39 Commitments (Cont'd)

39.1 Operating lease commitments (non-cancellable) (Cont'd)

(b) *Where Group and Company are the lessors*

The Group and the Company lease out a portion of their office and retail units to third parties under non-cancellable operating lease.

The future minimum lease receivable under non-cancellable operating leases of office and retail units contracted for at the end of reporting period but not recognised as receivable, are as follows:

The Group	31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
Not later than one year	**16,720**	17,040	17,294
Later than one year and not later than five years	**24,193**	35,604	7,004
Later than five years	**29**	–	–
	40,942	52,644	24,298

The Company	31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
Not later than one year	**601**	623	865
Later than one year and not later than five years	**62**	663	1,286
	663	1,286	2,151

39.2 Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in joint ventures (Note 14) and investments in associate companies (Note 15) are as follows:

The Group	31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
Capital expenditure contracted but not provided for in the financial statements	**57,272**	65,081	166,331

39 Commitments (Cont'd)

39.2 Capital commitments (Cont'd)

The capital commitments principally relate to:

- consultancy and architectural services and construction cost for Citadines Balestier by Balestier Tower Pte. Ltd. of $631,000 (2018 - $1,197,000; 1 February 2017 - $1,885,000);

- consultancy, architectural services and construction cost for the proposed development of 67 Cairnhill Road by Glopeak Development Pte. Ltd. of $1,670,000 (2018 - $Nil; 1 February 2017 - $Nil);

- consultancy, architectural services and construction cost for the mixed development at 2 Perumal Road by Perumal Development Pte. Ltd. of $54,971,000 (2018 - $63,864,000; 1 February 2017 - $164,080,000); and

- consultancy, architectural services and construction cost for Kismis Residences by Newfort Alliance (Kismis) Pte. Ltd. of $Nil (2018 - $20,000; 1 February 2017 - $366,000).

39.3 Other commitments

Financial guarantees

The Company has provided financial guarantees to banks for credit facilities totalling $877,438,000 (2018 - $550,780,000; 1 February 2017 - $423,349,000) granted to certain subsidiaries for which the Company is exposed to liability which is capped at $447,197,000 (2018 - $361,502,000; 1 February 2017 - $368,702,000). As at the reporting date, the banking facilities utilised stood at $447,197,000 (2018 - $361,502,000; 1 February 2017 - $368,702,000).

The Company has provided financial guarantees to banks for credit facilities $158,052,000 (2018 - $159,254,000; 1 February 2017 - $160,961,000) granted to certain joint ventures for which the Company is exposed to liability which is capped at $158,052,000 (2018 - $159,252,000; 1 February 2017 - $160,959,000). As at the reporting date, the banking facilities utilised stood at $158,052,000 (2018 - $159,252,000; 1 February 2017 - $160,959,000).

As at 31 January 2019, 31 January 2018 and 1 February 2017, the fair values of the financial guarantees determined based on the expected loss arising from the risk of default are insignificant.

40 Operating segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(i) Development

Activities in this segment comprise the development of properties.

(ii) Hotels

Activities in this segment comprise owning and operating hotels and restaurants.

40 Operating segments (Cont'd)

(iii) Investments

Activities in this segment relate mainly to investment in properties and shares in quoted and unquoted equities.

There are no other operating segments that have been aggregated to form the above reportable operating segments.

The Executive Chairman and the Managing Director monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group taxation is managed on a group basis and is not allocated to operating segments.

Sales between operating segments are carried out at arm's length basis similar to transactions with third parties.

(a) Business Segments

	Development		Hotels		Investments		Consolidated	
	2019	2018 (restated)	**2019**	2018	**2019**	2018	**2019**	2018 (restated)
The Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE								
Total sales	**135,030**	32,100	**22,553**	28,070	**43,902**	47,602	**201,485**	107,772
Inter-segment sales	**–**	–	**(3,736)**	(4,788)	**(26,353)**	(30,315)	**(30,089)**	(35,103)
External sales	**135,030**	32,100	**18,817**	23,282	**17,549**	17,287	**171,396**	72,669
RESULTS								
Segment results	**12,512**	11,020	**1,705**	1,362	**12,939**	20,367	**27,156**	32,749
Finance costs	**(1,386)**	(1,915)	**–**	(1)	**(6,326)**	(5,162)	**(7,712)**	(7,078)
	11,126	9,105	**1,705**	1,361	**6,613**	15,205	**19,444**	25,671
Share of results of joint ventures and associate companies	**(534)**	(595)	**–**	–	**2,601**	(2,171)	**2,067**	(2,766)
	10,592	8,510	**1,705**	1,361	**9,214**	13,034	**21,511**	22,905
Taxation							**(2,765)**	(3,947)
Non-controlling interests							**(3,299)**	(1,195)
Net profit							**15,447**	17,763

40 Operating segments (Cont'd)

(a) Business Segments (Cont'd)

The Group (Cont'd)	Development 2019 $'000	Development 2018 (restated) $'000	Hotels 2019 $'000	Hotels 2018 $'000	Investments 2019 $'000	Investments 2018 $'000	Consolidated 2019 $'000	Consolidated 2018 (restated) $'000
OTHER INFORMATION								
Segment assets	**437,910**	372,482	**166,363**	148,287	**452,131**	490,839	**1,056,404**	1,011,608
Investment in associate companies and joint ventures under equity method	**16,802**	6,171	**–**	–	**139,543**	138,777	**156,345**	144,948
Consolidated total assets (excluding taxation)	**454,712**	378,653	**166,363**	148,287	**591,674**	629,616	**1,212,749**	1,156,556
Consolidated total liabilities (excluding taxation)	**(200,777)**	(105,239)	**(76,671)**	(77,154)	**(238,823)**	(269,499)	**(516,271)**	(451,892)
Capital expenditure								
- Property, plant and equipment	**4,830**	85,081	**24,681**	8,198	**1,014**	241	**30,525**	93,520
- Investment properties	**–**	–	**–**	–	**190**	2,630	**190**	2,630
Depreciation								
- Property, plant and equipment	**8**	(2)	**1,171**	1,447	**607**	615	**1,786**	2,060
- Investment properties	**–**	–	**–**	–	**2,967**	2,973	**2,967**	2,973
Project costs written back	**–**	–	**–**	–	**1,294**	8,489	**1,294**	8,489
Impairment loss on								
- Property, plant and equipment	**–**	–	**–**	15	**–**	–	**–**	15
- Investment properties	**–**	–	**–**	–	**–**	(6,913)	**–**	(6,913)
(Gain)/loss on disposal of								
- Property, plant and equipment	**(1,499)**	–	**(1,317)**	(7)	**147**	(12)	**(2,669)**	(19)
-Joint Venture	**–**	–	**–**	–	**–**	(11)	**–**	(11)
Fair value gains reclassified from fair value reserve to profit or loss on impairment of available-for-sale financial assets	**–**	–	**–**	–	**–**	2,025	**–**	2,025
Fair value (gain)/loss on financial assets at fair value through profit or loss	**–**	–	**–**	–	**793**	(852)	**793**	(852)
Bad debts written off	**–**	–	**–**	–	**(3)**	(98)	**(3)**	(98)

40 Operating segments (Cont'd)

(b) Geographical Segments

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

The Group	Revenue 2019 $'000	Revenue 2018 $'000	Non-current assets 2019 $'000	Non-current assets 2018 $'000
Singapore	**154,500**	52,708	**549,938**	523,440
Australia	**16,896**	19,961	**28,049**	28,812
Others	**–**	–	**24,978**	12,976
	171,396	72,669	**602,965**	565,228

(c) Information about major customers

The Group does not have any major customers.

(d) Reconciliation of segments' total assets and total liabilities

The Group	2019 $'000	2018 (restated) $'000
Reportable segments' assets are reconciled to total assets as follows:		
Segment assets	**1,056,404**	1,011,608
Investment in associate companies and joint ventures under equity method	**156,345**	144,948
Deferred tax assets	**370**	402
Total assets	**1,213,119**	1,156,958
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities	**516,271**	451,892
Deferred tax liabilities	**2,817**	2,860
GST payable	**228**	404
Current tax payable	**4,966**	5,504
Total liabilities	**524,282**	460,660

41 Disclosure of directors' remuneration

As required by the Listing Manual of the Singapore Exchange, the remuneration of Directors of the Company is disclosed in bands as follows:

	Number of directors	
	2019	2018
$1,000,000 to $1,249,999	**2**	–
$750,000 to $999,999	**–**	2
$250,000 to $499,999	**1**	1
Below $250,000	**8**	5
Total	**11**	8

Included in the directors' remuneration for the financial year 2019 was Tan Sri Dato' Low Keng Huat who passed away on 20 February 2019 and Mr Wey Kim Long who retired on 12 September 2018.

42 Financial risk management objectives and policies

The Group and the Company financial risk management policies set out the Group's and the Company's overall business strategies and its risk management philosophy. 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 currency risk, interest rate risk, liquidity risk, market price risk and credit risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not hold or issue derivative financial instruments for speculative purposes.

As at 31 January 2019, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, receivables and payables.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

42.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Part of the Group's revenue, expenses, investments, assets and liabilities are denominated in foreign currencies which give rise to foreign exchange risk, particularly of the hotel which is located overseas. The currencies giving rise to this risk are primarily Australian dollar (AUD), Malaysian Ringgit (RM), Chinese Renminbi (RMB) and United States dollar (USD).

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

In terms of operations, the sales and purchases are denominated in the same currency as much as is practicable. The Group also matches the currency of its bank borrowings, if any, with the location of its investment to mitigate the risk of currency exposure. As such, the Group does not deem it necessary to enter into any derivative contracts to hedge against foreign currency risk.

Exposure to foreign currency risk is insignificant as the Group's income and related expenses, assets and liabilities are substantially denominated in the respective functional currencies of the Group's entities. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Company and the Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances are disclosed below:

The Group	SGD $'000	USD $'000	AUD $'000	RM $'000	RMB $'000	Total $'000
At 31 January 2019						
Cash and cash equivalents	**80,950**	**17,453**	**10,891**	**1,071**	**5,894**	**116,259**
Fixed deposits	**7,320**	**–**	**–**	**–**	**1,731**	**9,051**
Trade and other receivables	**59,381**	**–**	**971**	**4**	**303**	**60,659**
Amount owing by joint ventures	**71,110**	**–**	**–**	**–**	**–**	**71,110**
Amount owing by an associate company	**56**	**–**	**–**	**–**	**–**	**56**
Trade and other payables	**(22,206)**	**–**	**(1,820)**	**(5)**	**–**	**(24,031)**
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	**(44,142)**	**–**	**(400)**	**–**	**–**	**(44,542)**
Amount owing to joint ventures	**(2)**	**(444)**	**–**	**–**	**–**	**(446)**
Provision for directors' fee	**(259)**	**–**	**–**	**–**	**–**	**(259)**
Provisions	**(24)**	**–**	**–**	**–**	**–**	**(24)**
Borrowings	**(447,197)**	**–**	**–**	**–**	**–**	**(447,197)**
	(295,013)	**17,009**	**9,642**	**1,070**	**7,928**	**(259,364)**

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

The Group (Cont'd)	SGD $'000	USD $'000	AUD $'000	RM $'000	RMB $'000	Total $'000
At 31 January 2018						
Cash and cash equivalents	47,484	68,019	12,360	998	5,184	134,045
Fixed deposits	3,600	–	–	–	1,765	5,365
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	(53,310)	–	(434)	–	–	(53,744)
Trade and other receivables	11,754	–	1,327	4	304	13,389
Amount owing by joint ventures	80,297	–	–	–	–	80,297
Amount owing by an associate company	56	–	–	–	–	56
Trade and other payables	(22,554)	–	(1,905)	(5)	(279)	(24,743)
Amount owing to joint ventures	(2)	(432)	–	–	–	(434)
Provision for directors' fee	(245)	–	–	–	–	(245)
Provisions	(46)	–	–	–	–	(46)
Borrowings	(373,084)	–	–	–	–	(373,084)
	(306,050)	67,587	11,348	997	6,974	(219,144)
At 1 February 2017						
Cash and cash equivalents	159,821	68,434	16,413	919	4,987	250,574
Fixed deposits	14,500	–	–	–	1,721	16,221
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	(58,157)	–	(440)	–	–	(58,597)
Trade and other receivables	30,680	–	1,957	3	1	32,641
Amount owing by joint ventures	82,606	–	–	–	–	82,606
Amount owing by an associate company	56	–	–	–	–	56
Trade and other payables	(29,534)	–	(2,012)	(5)	(73)	(31,624)
Amount owing to joint ventures	(2)	(468)	–	–	–	(470)
Provision for directors' fee	(245)	–	–	–	–	(245)
Provisions	(77)	–	–	–	–	(77)
Borrowings	(360,284)	–	–	–	–	(360,284)
	(160,636)	67,966	15,918	917	6,636	(69,199)

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

The Company	SGD $'000	USD $'000	AUD $'000	RM $'000	Total $'000
At 31 January 2019					
Cash and cash equivalents	**53,928**	**17,453**	**3,492**	**71**	**74,944**
Trade and other receivables	**4,080**	**–**	**–**	**–**	**4,080**
Amount owing by joint ventures	**71,110**	**–**	**–**	**–**	**71,110**
Amount owing by an associate company	**56**	**–**	**–**	**–**	**56**
Amount owing by subsidiaries	**198,561**	**–**	**–**	**–**	**198,561**
Trade and other payables	**(16,595)**	**–**	**–**	**–**	**(16,595)**
Amount owing to subsidiaries	**(66,796)**	**–**	**–**	**(1,149)**	**(67,945)**
Amount owing to joint ventures	**(2)**	**(195)**	**–**	**–**	**(197)**
Provision for directors' fee	**(259)**	**–**	**–**	**–**	**(259)**
	244,083	**17,258**	**3,492**	**(1,078)**	**263,755**
At 31 January 2018					
Cash and cash equivalents	12,131	68,019	296	36	80,482
Trade and other receivables	19,999	–	–	–	19,999
Amount owing by joint ventures	80,297	–	–	–	80,297
Amount owing by an associate company	56	–	–	–	56
Amount owing by subsidiaries	205,946	–	–	–	205,946
Trade and other payables	(16,380)	–	–	–	(16,380)
Amount owing to subsidiaries	(73,615)	–	–	(1,172)	(74,787)
Amount owing to joint ventures	(2)	(195)	–	–	(197)
Provision for directors' fee	(245)	–	–	–	(245)
Bank borrowings	(20,000)	–	–	–	(20,000)
	208,187	67,824	296	(1,136)	275,171

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

The Company (Cont'd)	SGD $'000	USD $'000	AUD $'000	RM $'000	Total $'000
At 1 February 2017					
Cash and cash equivalents	139,489	68,434	7,374	58	215,355
Trade and other receivables	13,364	–	–	–	13,364
Amount owing by joint ventures	82,606	–	–	–	82,606
Amount owing by an associate company	56	–	–	–	56
Amount owing by subsidiaries	187,775	–	–	–	187,775
Trade and other payables	(21,171)	–	–	–	(21,171)
Amount owing to subsidiaries	(16,246)	(38,491)	–	(1,118)	(55,855)
Amount owing to joint ventures	(2)	(195)	–	–	(197)
Provision for directors' fee	(245)	-	–	–	(245)
	385,626	29,748	7,374	(1,060)	421,688

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies (against Singapore dollar), with all other variables held constant, of the Group's results net of tax and equity.

	31 January				1 February	
	2019		2018		2017	
The Group	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000	Profit after taxation $'000	Equity $'000
Australian dollar						
- strengthened 5% (2018 - 5%)	**400**	**400**	471	471	661	661
- weakened 5% (2018 - 5%)	**(400)**	**(400)**	(471)	(471)	(661)	(661)
Malaysian Ringgit						
- strengthened 5% (2018 - 5%)	**44**	**44**	41	41	38	38
- weakened 5% (2018 - 5%)	**(44)**	**(44)**	(41)	(41)	(38)	(38)
Chinese Renminbi						
- strengthened 5% (2018 - 5%)	**329**	**329**	289	289	275	275
- weakened 5% (2018 - 5%)	**(329)**	**(329)**	(289)	(289)	(275)	(275)
United States dollar						
- strengthened 5% (2018 - 5%)	**706**	**706**	2,805	2,805	2,821	2,821
- weakened 5% (2018 - 5%)	**(706)**	**(706)**	(2,805)	(2,805)	(2,821)	(2,821)

42 Financial risk management objectives and policies (Cont'd)

42.1 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

	31 January				1 February	
	2019		2018		2017	
The Company	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000	Profit after taxation $'000	Equity $'000
Australian dollar						
- strengthened 5% (2018 - 5%)	**145**	**145**	12	12	306	306
- weakened 5% (2018 - 5%)	**(145)**	**(145)**	(12)	(12)	(306)	(306)
Malaysian Ringgit						
- strengthened 5% (2018 - 5%)	**(45)**	**(45)**	(47)	(47)	(44)	(44)
- weakened 5% (2018 - 5%)	**45**	**45**	47	47	44	44
United States dollar						
- strengthened 5% (2018 - 5%)	**716**	**716**	2,815	2,815	1,235	1,235
- weakened 5% (2018 - 5%)	**(716)**	**(716)**	(2,815)	(2,815)	(1,235)	(1,235)

42.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and cash placed with financial institutions.

The interest rates of cash and fixed deposits placed with financial institutions, other investments at amortised costs, notional interest charged on non-interest bearing loans owing to non-controlling shareholders of subsidiaries, notional interest charged on non-interest bearing loans owing by joint ventures and subsidiaries, and bank borrowings are disclosed in Notes 3, 4, 13, 22, 14, 16 and 24 to the financial statements, respectively.

42 Financial risk management objectives and policies (Cont'd)

42.2 Interest rate risk (Cont'd)

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

The Group	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Over 5 years $'000	Total $'000
At 31 January 2019							
Floating rate							
Fixed deposits - less than 3 months	**88,629**	**–**	**–**	**–**	**–**	**–**	**88,629**
Fixed deposits - more than 3 months	**9,051**	**–**	**–**	**–**	**–**	**–**	**9,051**
Other investments	**–**	**–**	**–**	**–**	**–**	**32,000**	**32,000**
Bank borrowings	**(106,089)**	**(7,200)**	**(7,200)**	**(22,200)**	**(304,508)**	**–**	**(447,197)**
	(8,409)	**(7,200)**	**(7,200)**	**(22,200)**	**(304,508)**	**32,000**	**(317,517)**
At 31 January 2018							
Floating rate							
Fixed deposits - less than 3 months	92,428	–	–	–	–	–	92,428
Fixed deposits - more than 3 months	5,365	–	–	–	–	–	5,365
Other investments	–	–	–	–	–	32,000	32,000
Bank borrowings	(126,089)	(75,335)	(7,200)	(7,200)	(7,200)	(150,060)	(373,084)
	(28,296)	(75,335)	(7,200)	(7,200)	(7,200)	(118,060)	(243,291)
At 1 February 2017							
Floating rate							
Fixed deposits - less than 3 months	219,776	–	–	–	–	–	219,776
Fixed deposits - more than 3 months	16,221	–	–	–	–	–	16,221
Other investments	–	–	–	–	–	32,000	32,000
Bank borrowings	(7,200)	(106,089)	(246,995)	–	–	–	(360,284)
	228,797	(106,089)	(246,995)	–	–	32,000	(92,287)

42 Financial risk management objectives and policies (Cont'd)

42.2 Interest rate risk (Cont'd)

The Company	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 -4 years $'000	4 - 5 years $'000	Over 5 years $'000	Total $'000
At 31 January 2019							
Floating rate							
Fixed deposits less than 3 months	**66,799**	**–**	**–**	**–**	**–**	**–**	**66,799**
At 31 January 2018							
Floating rate							
Fixed deposits less than 3 months	67,975	–	–	–	–	–	67,975
Bank borrowings	(20,000)	–	–	–	–	–	(20,000)
	47,975	–	–	–	–	–	47,975
At 1 February 2017							
Floating rate							
Fixed deposits less than 3 months	210,310	–	–	–	–	–	210,310

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months. The other financial instruments of the Group and the Company that are not included in the above table are not subject to interest rate risks.

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

	Increase/(decrease)					
	31 January 2019		31 January 2018		1 February 2017	
The Group	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000	Profit after taxation $'000	Equity $'000
Interest rate						
- decreased by 1% per annum	**2,635**	**2,635**	2,019	2,019	766	766
- increased by 1% per annum	**(2,635)**	**(2,635)**	(2,019)	(2,019)	(766)	(766)
The Company						
Interest rate						
- decreased by 1% per annum	**(554)**	**(554)**	(398)	(398)	(1,746)	(1,746)
- increased by 1% per annum	**554**	**554**	398	398	1,746	1,746

42 Financial risk management objectives and policies (Cont'd)

42.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity 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.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit facilities available as disclosed in Note 24 to the financial statements.

The table below summarises the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2019				
Trade and other payables	**23,702**	**–**	**–**	**23,702**
Amounts owing to joint ventures (non-trade)	**446**	**–**	**–**	**446**
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	**1,413**	**50,266**	**–**	**51,679**
Provision for directors' fee	**259**	**–**	**–**	**259**
Provision	**24**	**–**	**–**	**24**
Bank borrowings	**118,038**	**373,791**	**–**	**491,829**
Financial guarantees for joint ventures	**1,360**	**156,692**	**–**	**158,052**
	145,242	**580,749**	**–**	**725,991**
At 31 January 2018				
Trade and other payables	24,127	–	–	24,127
Amounts owing to joint ventures (non-trade)	434	–	–	434
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	434	8,890	55,071	64,395
Provision for directors' fee	245	–	–	245
Provision	46	–	–	46
Bank borrowings	132,616	111,549	151,768	395,933
Financial guarantees for joint ventures	84,152	75,100	–	159,252
	242,054	195,539	206,839	644,432

42 Financial risk management objectives and policies (Cont'd)

42.3 Liquidity risk (Cont'd)

The Group (Cont'd)	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 1 February 2017				
Trade and other payables	31,448	–	–	31,448
Amounts owing to joint ventures (non-trade)	470	–	–	470
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	440	64,150	–	64,590
Provision for directors' fee	245	–	–	245
Provision	77	–	–	77
Bank borrowings	10,751	366,938	–	377,689
Financial guarantees for joint ventures	640	160,319	–	160,959
	44,071	591,407	–	635,478

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2019				
Trade and other payables	**16,467**	**–**	**–**	**16,467**
Amounts owing to subsidiaries (non-trade)	**67,945**	**–**	**–**	**67,945**
Amounts owing to joint ventures (non-trade)	**197**	**–**	**–**	**197**
Provision for directors' fee	**259**	**–**	**–**	**259**
Financial guarantees for subsidiaries	**106,089**	**341,108**	**–**	**447,197**
Financial guarantees for joint ventures	**1,360**	**156,692**	**–**	**158,052**
	192,317	**497,800**	**–**	**690,117**
At 31 January 2018				
Trade and other payables	16,150	–	–	16,150
Amounts owing to subsidiaries (non-trade)	74,787	–	–	74,787
Amounts owing to joint ventures (non-trade)	197	–	–	197
Provision for directors' fee	245	–	–	245
Financial guarantees for subsidiaries	106,089	255,413	–	361,502
Financial guarantees for joint ventures	84,152	75,100	–	159,252
Bank borrowings	20,400	–	–	20,400
	302,020	330,513	–	632,533
At 1 February 2017				
Trade and other payables	21,160	–	–	21,160
Amounts owing to subsidiaries (non-trade)	55,855	–	–	55,855
Amounts owing to joint ventures (non-trade)	197	–	–	197
Provision for directors' fee	245	–	–	245
Financial guarantees for subsidiaries	7,200	361,502	–	368,702
Financial guarantees for joint ventures	640	160,319	–	160,959
	85,297	521,821	–	607,118

42 Financial risk management objectives and policies (Cont'd)

42.4 Market price risk

Market price risk arises mainly from uncertainty about future prices of instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Group's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector or industry.

The Group is exposed to marketable securities price risk arising from its investments in equity investments classified as financial assets held at fair value through other comprehensive income, financial assets, available-for-sale and financial assets held at fair value through profit or loss. These securities are listed on the Singapore Exchange Securities and Bursa Malaysia Berhad.

	The Group			The Company		
	31 January		1 February	31 January		1 February
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Financial assets, at FVOCI						
- Listed in Singapore	**32,394**	–	–	**–**	–	–
- Listed in Malaysia	**2,864**	–	–	**1,661**	–	–
	35,258	–	–	**1,661**	–	–
Financial assets, available-for-sale						
- Listed in Singapore	**–**	47,829	49,231	**–**	–	–
- Listed in Malaysia	**–**	2,981	2,470	**–**	1,730	1,433
	–	50,810	51,701	**–**	1,730	1,433
Financial assets, at FVPL						
- Listed in Singapore	**5,156**	5,949	5,097	**–**	–	–
Total equity securities	**40,414**	56,759	56,798	**1,661**	1,730	1,433

The Group and the Company are not exposed to commodity price risk. The Group and the Company have in place a set of internal controls to manage its market price risk arising from investments in marketable securities.

Sensitivity analysis for market price risk

The sensitivity analysis below has been determined based on the portfolio of quoted equity securities held by the Group and the Company as at the end of reporting period, if prices for equity securities listed in Singapore and Malaysia increase/decrease by 2% (2018 - 2%; 1 February 2017 - 2%) with all other variables including tax rate being held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in the prices for equity securities under normal economic conditions.

42 Financial risk management objectives and policies (Cont'd)

42.4 Market price risk (Cont'd)

Sensitivity analysis for market price risk (Cont'd)

	Increase/(decrease)								
	31 January 2019			31 January 2018			1 February 2017		
	Profit after taxation $'000	**OCI $'000**	**Equity $'000**	Profit after taxation $'000	OCI $'000	Equity $'000	Profit after taxation $'000	OCI $'000	Equity $'000
The Group									
Prices for quoted equity investments									
- increased by 2% per annum	**86**	**705**	**791**	99	1,016	1,115	85	1,034	1,119
- decreased by 2% per annum	**(86)**	**(705)**	**(791)**	(99)	(1,016)	(1,115)	(85)	(1,034)	(1,119)
The Company									
Prices for quoted equity investments									
- increased by 2% per annum	**–**	**33**	**33**	–	35	35	–	29	29
- decreased by 2% per annum	**–**	**(33)**	**(33)**	–	(35)	(35)	–	(29)	(29)

42.5 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriate to mitigate credit risk; and
- High credit quality counterparties rating by external credit rating companies.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, related party balances and cash placed with financial institutions. Cash is held with reputable financial institutions. For trade receivables, the Group and the Company adopt the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure. There are no significant concentrations of credit other than advances to joint ventures, associate companies, non-controlling shareholders of subsidiaries, and inter-company balances which are eliminated upon consolidation.

As at 31 January 2019, none (2018 - none; 1 February 2017 - none) of the trade receivables individually exceed 5% of the Group's total assets.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

The Group carries out construction work mainly for entities within the Group. There is insignificant expected credit loss on construction contracts.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as disclosed in Note 39.3.

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statements of financial position are net of allowances for doubtful receivables.

The movement in credit loss allowance are as follows:

The Group	Trade receivables $'000	Contract assets $'000	Other receivables $'000	Other investment at amortised costs $'000	Total $'000
Balance at 1 February 2018 under SFRS	88	–	88	–	176
Application of SFRS(I) 9	–	–	–	–	–
Balance at 1 February 2018 under SFRS(I) 9	**88**	**–**	**88**	**–**	**176**
Loss allowance recognised in profit or loss during year on:					
Assets acquired/originated	**81**	**–**	**1**	**–**	**82**
Changes in credit risk	**–**	**–**	**–**	**–**	**–**
	81	**–**	**1**	**–**	**82**
Receivable written off as uncollectible	**–**	**–**	**–**	**–**	**–**
Balance at 31 January 2019	**169**	**–**	**89**	**–**	**258**

No adjustment has been made to the allowance for trade and other receivables, contract assets and other investment at amortised cost on initial adoption of SFRS(I) 9 as the amount to be adjusted is insignificant.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

Cash and cash equivalents, trade and other receivables, contract assets and other investments at amortised cost are subject to immaterial credit loss.

(a) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract 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. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the Group and the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 January 2019 are set out as follows:

The Group	Trade receivables $'000	Contract assets $'000	Total $'000
Balance at 31 January 2019	**8,899**	**3,133**	**12,032**
Cash flow expected from collateral, other credit enhancements and subsequent receipts	**(8,730)**	**(3,133)**	**(11,863)**
Balance subject to expected credit loss	**169**	**–**	**169**
Expected loss rate	**100%**	**–**	**100%**
Loss allowance	**169**	**–**	**169**

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(a) Trade receivables and contract assets (Cont'd)

The Group – Trade receivables	**31 January 2019 $'000**	Cash flow expected from collateral, other credit enhancements and subsequent receipts **$'000**	Balance subject to expected credit loss **$'000**	Expected loss rate	Loss allowance **$'000**
Current	**8,709**	**(8,709)**	**–**	**–**	**–**
Past due 0 to 3 months	**25**	**(15)**	**10**	**100%**	**10**
Past due 3 to 6 months	**23**	**(6)**	**17**	**100%**	**17**
Past due over 6 months	**142**	**–**	**142**	**100%**	**142**
	8,899	**(8,730)**	**169**		**169**

(b) Other investments at amortised cost

As disclosed in Note 13, other investments at amortised cost comprise unlisted bond. This is considered "low credit risk" as the unlisted bond have low risk of default as the issuer has a strong capacity to meet the contractual cash flow obligations in the near term.

Hence, the loss allowance recognised on this asset is measured at the 12-month expected credit losses.

<u>The Company</u>

The Company is not exposed to significant expected credit losses on its bank balances and trade and other receivables. No adjustment has been made to the allowance for trade and other receivables, contract assets and other investments at amortised cost on initial adoption of SFRS(I) 9 as the amount to be adjusted is insignificant.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

The maximum exposure of the Company in respect of its intra-group financial guarantees (see Note 39.3) at the reporting date as if the facilities are drawn down up to the amount of $1,035,490,000 (2018 - $710,034,000; 1 February 2017 - $584,310,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

<u>Previous accounting policy for impairment of trade and other receivables</u>

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(b) Other investments at amortised cost (Cont'd)

Previous accounting policy for impairment of trade and other receivables (Cont'd)

The Group considered that there was objective evidence if any of the following indicators were present:

– Significant financial difficulties of the debtor;

– Probability that the debtor will enter bankruptcy or financial reorganisation; and

– Default or delinquency in payments (more than 90 days overdue).

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS 39 as at 31 January 2018 and 1 February 2017 are set out in the provision matrix as follows:

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

Trade receivables that are neither past due nor impaired are substantially customers with a good track collection record with the Group and the Company.

	The Group		The Company	
	31 January 2018 $'000	1 February 2017 $'000	31 January 2018 $'000	1 February 2017 $'000
Current	3,368	1,552	4,414	993

Other receivables of the Group and the Company of $4,884,000 (1 February 2017 - $25,172,000) and $3,242,000 (1 February 2017 - $522,000) respectively, that are not impaired and categorised as financial assets as disclosed in this report, are considered current and not past due.

42 Financial risk management objectives and policies (Cont'd)

42.5 Credit risk (Cont'd)

(b) Other investments at amortised cost (Cont'd)

Previous accounting policy for impairment of trade and other receivables (Cont'd)

(ii) Financial assets that are past due but not impaired

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

	The Group		The Company	
	31 January 2018 $'000	1 February 2017 $'000	31 January 2018 $'000	1 February 2017 $'000
Past due 0 to 3 months	25	77	5,872	1,356
Past due 3 to 6 months	195	11	–	–
Past due over 6 months	–	147	–	–
	220	235	5,872	1,356

Based on historical default rates, the Directors of the Company are of the opinion that no impairment is necessary in respect of trade receivables not past due or past due but not impaired as these receivables are mainly arising from customers that have a good credit record with the Group and the Company.

(iii) Financial assets that are past due and impaired

The ageing analysis of trade and other receivables past due and impaired is as follows:

	The Group		The Company	
	31 January 2018 $'000	1 February 2017 $'000	31 January 2018 $'000	1 February 2017 $'000
Trade receivables				
- Past due 0 to 3 months	1	4	–	–
- Past due 3 to 6 months	18	75	–	–
- Past due over 6 months	69	74	–	–
	88	153	–	–
Other receivables				
- Past due 0 to 3 months	–	59	–	59
- Past due 3 to 6 months	–	–	–	–
- Past due over 6 months	88	115	76	32
	88	174	76	91

Impairment on trade and other receivables is made on specific debts for which the Directors of the Company are of the opinion that these debts are long outstanding which are not recoverable.

43 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as 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.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 January 2019, 31 January 2018 and 1 February 2017:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 January 2019				
Assets				
Financial assets, at FVOCI	**35,258**	**–**	**–**	**35,258**
Financial assets, at FVPL	**5,156**	**–**	**–**	**5,156**
At 31 January 2018				
Assets				
Financial assets, available-for-sale	50,810	–	–	50,810
Financial assets, at FVPL	5,949	–	–	5,949
At 1 February 2017				
Assets				
Financial assets, available-for-sale	51,701	–	–	51,701
Financial assets, at FVPL	5,097	–	–	5,097

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 January 2019				
Assets				
Financial assets, at FVOCI	**1,661**	**–**	**–**	**1,661**
At 31 January 2018				
Assets				
Financial assets, available-for-sale	1,730	–	–	1,730
At 1 February 2017				
Assets				
Financial assets, available-for-sale	1,433	–	–	1,433

43 Fair value measurement (Cont'd)

Fair value measurement of financial instruments (Cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 January 2019, 2018 and 1 February 2017.

Financial instruments whose carrying amount approximate fair value

The Company has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, non-interest bearing loans owing by joint ventures and subsidiaries, non-trade amount owing to non-controlling shareholders of subsidiaries, current trade and other payables, current bank loans based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently. The carrying amounts of non-current bank loans approximate fair values as they are repriced frequently.

44 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amount of the different categories of financial instruments are as follows:

	31 January		1 February
	2019	2018	2017
The Group	**$'000**	$'000	$'000
Financial assets, available-for-sale, at fair value	**–**	50,810	51,701
Financial assets, at FVOCI	**35,258**	–	–
Financial assets, at FVPL	**5,156**	5,949	5,097
Cash and cash equivalents	**116,259**	134,045	250,574
Fixed deposits	**9,051**	5,365	16,221
Other investments, at amortised cost	**32,000**	32,000	32,000
Amount owing by joint ventures	**71,110**	80,297	82,606
Amount owing by associate company	**56**	56	56
Trade and other receivables	**47,693**	8,472	26,959
Financial assets, at amortised cost	**276,169**	260,235	408,416
Amount owing to joint ventures	**446**	434	470
Amount owing to non-controlling shareholders of subsidiaries	**44,542**	53,744	58,597
Provisions for directors' fee	**259**	245	245
Provision	**24**	46	77
Bank borrowings	**447,197**	373,084	360,284
Trade and other payables	**23,702**	24,127	31,448
Financial liabilities, at amortised cost	**516,170**	451,680	451,121

44 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

The Company	31 January 2019 $'000	31 January 2018 $'000	1 February 2017 $'000
Financial assets, available-for-sale, at fair value	**–**	1,730	1,433
Financial assets, at FVOCI	**1,661**	–	–
Financial assets, at FVPL	**–**	–	–
Cash and cash equivalents	**74,944**	80,482	215,355
Amount owing by joint ventures	**69,222**	78,409	80,718
Amount owing by subsidiaries	**198,561**	205,946	187,775
Amount owing by associate company	**56**	56	56
Trade and other receivables	**1,350**	13,528	2,871
Financial assets, at amortised cost	**344,133**	378,421	486,775
Amount owing to subsidiaries	**67,945**	74,787	55,855
Amount owing to joint ventures	**197**	197	197
Provisions for directors' fee	**259**	245	245
Bank borrowings	**–**	20,000	–
Trade and other payables	**16,467**	16,150	21,160
Financial liabilities, at amortised cost	**84,868**	111,379	77,457

45 Capital management

The Group's and the Company's objectives when managing capital are:

(a) to safeguard the Group's and the Company's ability to continue as going concern;

(b) to support the Group's and the Company's stability and growth;

(c) to provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) to provide an adequate return to shareholders.

Having regards to its gearing exposure, the Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

45 Capital management (Cont'd)

Total capital is calculated as total equity plus net debt.

The Group	Note	31 January **2019** **$'000**	31 January 2018 (restated) $'000	1 February 2017 $'000
Trade and other payables	20	**24,031**	24,743	31,624
Amounts owing to joint ventures	21	**446**	434	470
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	22	**44,542**	53,744	58,597
Bank borrowings	24	**447,197**	373,084	360,284
		516,216	452,005	450,975
Less:				
Cash and cash equivalents	3	**(116,259)**	(134,045)	(250,574)
Fixed deposits	4	**(9,051)**	(5,365)	(16,221)
Net debt	(i)	**390,906**	312,595	184,180
Total equity	(ii)	**688,837**	696,298	694,258
Total capital	(i)+(ii)	**1,079,743**	1,008,893	878,438
Gearing ratio	(i)/[(i)+(ii)]	**36%**	31%	21%

The Company	Note	31 January **2019** **$'000**	31 January 2018 $'000	1 February 2017 $'000
Trade and other payables	20	**16,595**	16,380	21,171
Amounts owing to subsidiaries	7(b)	**67,945**	74,787	55,855
Amounts owing to joint ventures	21	**197**	197	197
Bank borrowings	24	**-**	20,000	–
		84,737	111,364	77,223
Less:				
Cash and cash equivalents	3	**(74,944)**	(80,482)	(215,335)
Net debt	(i)	**9,793**	30,882	(138,112)
Total equity	(ii)	**586,517**	587,402	558,776
Total capital	(i)+(ii)	**596,310**	618,284	420,664
Gearing ratio	(i)/[(i)+(ii)]	**2%**	5%	nm

nm – not meaningful

45 Capital management (Cont'd)

Gearing has a significant influence on the Group's and the Company's capital structure and the Group monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio between 40% and 80%. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings, trade and other payables, and amounts owing to related parties less cash and cash equivalents and short term deposits.

The Group and the Company have observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 24).

There were no changes in the Group's and Company's approach to capital management during the financial year ended 31 January 2019.

The Group and the Company are not subject to externally imposed capital requirements.

STATISTICS OF SHAREHOLDINGS

As at 22 April 2019

SHARE CAPITAL INFORMATION

Issued and Fully Paid-Up Capital	:	S$162,151,305
Number of Issued Shares	:	738,816,000
Number of Treasury Shares	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	12	0.45	375	0.00
100-1,000	73	2.71	46,121	0.01
1,001-10,000	1,101	40.94	6,870,837	0.93
10,001-1,000,000	1,474	54.82	97,514,903	13.20
1,000,001 and above	29	1.08	634,383,764	85.86
Total	2,689	100.00	738,816,000	100.00

TOP 20 LARGEST SHAREHOLDERS AS AT 22 APRIL 2019

No	Name	No. of Shares	%
1	UNITED OVERSEAS BANK NOMINEES P L	396,613,545	53.68
2	EST OF LOW KENG HOO	52,889,946	7.16
3	LOW KENG BOON @ LAU BOON SEN	52,773,806	7.14
4	LAU CHOY LAY	23,000,000	3.11
5	RAFFLES NOMINEES (PTE) LIMITED	13,984,600	1.89
6	DBS NOMINEES PTE LTD	10,228,600	1.38
7	LOW CHIN HAN	10,000,000	1.35
8	CITIBANK NOMS S'PORE PTE LTD	8,787,700	1.19
9	ANGELA LOW SEOK FUN	7,000,000	0.95
10	LOW SEOK LING MONICA	7,000,000	0.95
11	MAYBANK KIM ENG SECURITIES PTE.LTD.	6,761,900	0.92
12	DBS VICKERS SECURITIES (S) PTE LTD	5,680,000	0.77
13	RHB SECURITIES SINGAPORE PTE LTD	4,597,600	0.62
14	PHILLIP SECURITIES PTE LTD	4,519,300	0.61
15	OCBC SECURTIEIS PRIVATE LTD	3,889,900	0.53
16	LEE CHO SENG @ LEE CHOO SEONG	3,783,800	0.51
17	HSBC (SINGAPORE) NOMINEES PTE LTD	2,880,400	0.39
18	LIM & TAN SECURITIES PTE LTD	2,373,000	0.32
19	OW-YONG SIM HIAN MABEL	2,310,000	0.31
20	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,160,867	0.29
		621,234,964	84.07

STATISTICS OF SHAREHOLDINGS

As at 22 April 2019

SUBSTANTIAL SHAREHOLDERS AS AT 22 APRIL 2019

Name of Substantial Shareholder	No. of shares fully paid		
	Direct Interest	Deemed interest	Total
Consistent Record Sdn Bhd	–	395,194,345	395,194,345
Estate of Tan Sri Dato' Low Keng Huat	–	395,194,345	395,194,345
Dato' Marco Low Peng Kiat	300,000	399,945,345	400,245,345
Low Keng Boon @ Lau Boon Sen	52,773,806	23,000,000	75,773,806
Estate of Low Keng Hoo	52,889,946	–	52,889,946

The Estate of Tan Sri Dato' Low Keng Huat is deemed to be interested in the 395,194,345 shares held by United Overseas Bank Nominees (Private) Limited ("UOBN") for account of Consistent Record Sdn Bhd ("CRSB").

Dato' Marco Low Peng Kiat is deemed to be interested in the 395,194,345 shares held by UOBN for account of CRSB, 2,751,000 shares held by Maybank Kim Eng Securities Pte. Ltd. and 2,000,000 shares held by Raffles Nominees (Pte) Limited.

Low Keng Boon @ Lau Boon Sen is deemed to be interested in the 23,000,000 shares held by his spouse.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the Company as at 22 April 2019, approximately 23.86% of the issued ordinary shares of the Company are held in the hands of the public. This in in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting of the Company will be held at Grand Mercure Roxy Singapore, Brooke, Meyer & Frankel Room Level 3, 50 East Coast Road, Roxy Square, Singapore 428769 on Wednesday, 29 May 2019 at 11.00 a.m., for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2019 together with the statements of the Directors and report of the Auditors thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of 1.5 cents per ordinary share for the financial year ended 31 January 2019. **(Resolution 2)**

3. To re-elect Mr Chris Chia Woon Liat, a Director retiring under Regulation 87 of the Constitution of the Company. **(Resolution 3)**
(See Explanatory Note 1)

4. To re-elect Mr Michael Leong Choon Fai, a Director retiring under Regulation 87 of the Constitution of the Company. **(Resolution 4)**
(See Explanatory Note 2)

5. To re-elect Mr Cheo Chai Hong, a Director retiring under Regulation 87 of the Constitution of the Company. **(Resolution 5)**
(See Explanatory Note 3)

6. To re-elect Mr Jimmy Yim Wing Kuen, a Director retiring under Regulation 88 of the Constitution of the Company. **(Resolution 6)**
(See Explanatory Note 4)

7. To re-elect Mr Low Keng Boon @ Lau Boon Sen, a Director retiring under Regulation 88 of the Constitution of the Company. **(Resolution 7)**
(See Explanatory Note 5)

8. To re-elect Dato' Marco Low Peng Kiat, a Director retiring under Article 88 of the Constitution of the Company. **(Resolution 8)**
(See Explanatory Note 6)

9. To approve the Directors' fee of $258,808 for the financial year ended 31 January 2019 (2017: $245,000). **(Resolution 9)**

10. To re-appoint Foo Kon Tan LLP, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions:-

11. Authority to issue shares

    (a) That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings shall be the Company's total number of 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 convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 11)
(See Explanatory Note 7)

ANY OTHER BUSINESS

12. To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 11 June 2019 after 5.00 p.m. for the preparation of determining the Members' entitlements to the first and final dividend and the special dividend (the "Dividends") to be proposed at the Annual General Meeting of the Company to be held on 29 May 2019.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 11 June 2019 will be registered to determine shareholders' entitlements to the Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 11 June 2019 will be entitled to such proposed dividend.

Payment of the Dividends, if approved by the shareholders at the Annual General Meeting to be held on 29 May 2019, will be made on 20 June 2019.

By Order of the Board

Chin Yeok Yuen
Company Secretary
Singapore, 14 May 2019

Notes:

1. A Depositor's name must appear on the Depository Register not less than 72 hours before the time of the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.

3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 72 hours before the time appointed for the Meeting.

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

NOTICE OF FIFTIETH ANNUAL GENERAL MEETING

Explanatory note:

1. Mr Chris Chia Woon Liat will, upon re-election as a Director of the Company, remain as member of the Audit, Nominating and Remuneration Committees. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Detailed information on Mr Chris Chia Woon Liat can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

2. Mr Michael Leong Choon Fai will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Detailed information on Mr Michael Leong Choon Fai can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

3. Mr Cheo Chai Hong will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Detailed information on Mr Cheo Chai Hong can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

4. Mr Jimmy Yim Wing Kuen will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and member of both Nominating and Remuneration Committees. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Detailed information on Mr Jimmy Yim Wing Kuen can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

5. Mr Low Keng Boon @ Lau Boon Sen will, upon re-election as a Director of the Company, remain as Executive Chairman and member of the Nominating Committee. Detailed information on Mr Low Keng Boon @ Lau Boon Sen can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

6. Dato' Marco Low Peng Kiat will, upon re-election as a Director of the Company, remain as member of the Remuneration and Nominating Committees. Detailed information on Dato' Marco Low Peng Kiat can be found under 'Board of Directors" section in the Company's Annual Report 2018/2019.

7. The Ordinary Resolution 11 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares and subsidiary holdings of the Company for this purpose shall be the total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed and any subsequent bonus issues, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

LOW KENG HUAT (SINGAPORE) LIMITED
Co. Registration No. 196900209G
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF monies and/or SRS monies to buy Low Keng Huat (Singapore) Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees.
3. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We ______________________ (Name) ______________________ (NRIC/Passport/ Co. Reg. No(s))

of ____ (Address)

being a *member/members of Low Keng Huat (Singapore) Limited (the "Company") hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting ("AGM") of the Company to be held at Grand Mercure Roxy Singapore, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Roxy Square, Singapore 428769 on Wednesday, 29 May 2019, at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated with an (x) or (√) in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting as the *proxy/proxies deem fit.

	Resolutions	No of Votes or indicate with a tick (√) or cross (x)**	
		For	**Against**
	Ordinary business		
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 January 2019.		
2.	To declare a first and final tax exempt (one-tier) dividend of 1.5 cents per ordinary share for the financial year ended 31 January 2019.		
3.	To re-elect Mr Chris Chia Woon Liat as a Director.		
4.	To re-elect Mr Michael Leong Choon Fai as a Director.		
5.	To re-elect Mr Cheo Chai Hong as a Director.		
6.	To re-elect Mr Jimmy Yim Wing Kuen as a Director.		
7.	To re-elect Mr Low Keng Boon @ Lau Boon Sen as a Director.		
8.	To re-elect Dato' Marco Low Peng Kiat as a Director.		
9.	To approve Directors' fee of $258,808 for the financial year ended 31 January 2019.		
10.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration.		
	Special business		
11.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

* Delete accordingly   * delete where applicable

** All resolutions would be put to vote by poll in accordance with listing rule of the Singapore Exchange Securities Limited.

Please tick (√) or cross (X))the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this __________ day of ________________ 2019

Total number of Shares held in:	Number of shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THE PROXY FORM

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("AGM"). 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.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, 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 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 of the Companies Act, Chapter 50 (the "Companies Act").

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

4. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM 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 AGM.

6. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

7. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of the Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

8. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 80 Marine Parade Road, #18-05/09 Parkway Parade Singapore 449269 not later than 72 hours before the time set for the Annual General Meeting.

9. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the 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 of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

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

11. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

12. Personal data privacy: By submitting an instrument appointing a proxy(ies) or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

LOW KENG HUAT
(SINGAPORE) LIMITED

(Regn. No.: 196900209G)

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