



FIGTREE HOLDINGS LIMITED

(Company Registration No. 201315211G)
(Incorporated in the Republic of Singapore on 5 June 2013)



**Placement of 54,546,000
Placement Shares at S\$0.22 each,
payable in full on application**

OFFER DOCUMENT DATED 29 OCTOBER 2013

(Registered by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), acting as agent on behalf of the Monetary Authority of Singapore (the “**Authority**”) on 29 October 2013)

THIS OFFER IS MADE IN OR ACCOMPANIED BY AN OFFER DOCUMENT (THE “OFFER DOCUMENT”) THAT HAS BEEN REGISTERED BY THE SGX-ST, ACTING AS AGENT ON BEHALF OF THE AUTHORITY ON 29 OCTOBER 2013. THE REGISTRATION OF THIS OFFER DOCUMENT BY THE SGX-ST, ACTING AS AGENT ON BEHALF OF THE AUTHORITY DOES NOT IMPLY THAT THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, OR ANY OTHER LEGAL OR REGULATORY REQUIREMENTS, OR REQUIREMENTS UNDER THE SGX-ST'S LISTING RULES, HAVE BEEN COMPLIED WITH.

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) has made an application to the SGX-ST for permission to deal in, and for quotation of, all the ordinary shares (“**Shares**”) in the capital of Figtree Holdings Limited (the “**Company**”) already issued, the new Shares which are the subject of this Placement (“**Placement Shares**”) and the new Shares which may be issued upon the exercise of the options which may be granted under the Figtree Employee Share Option Scheme (“**Option Shares**”) on Catalist. Acceptance of applications will be conditional upon, *inter alia*, issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Placement Shares and the Option Shares on Catalist. Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Mainboard. In particular, companies may list on Catalist without a track record of profitability and there is no

assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor confirming that the Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled “RISK FACTORS” of this Offer Document.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Manager, Sponsor and Placement Agent



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)



CORPORATE PROFILE

Figtree Holdings Limited (the “**Company**”, together with its subsidiaries and associated company, the “**Group**”) specialises in the design and building of commercial and industrial facilities. As a secondary activity, the Group is also engaged in property development. The Group typically acts as the main contractor for its projects in Singapore, covering new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In the PRC and Malaysia, the Group typically provides design and project and construction management consulting services.

COMPETITIVE STRENGTHS

Established track record in the construction industry

- Reputation as a reliable and proven design and build contractor
- Repeat businesses, recommendations and referrals from customers

Committed, qualified and experienced management team and support staff

- Executive Directors have, in aggregate, more than 50 years of experience in the design and build industry
- Strong emphasis on training programmes to update employees on the latest safety and building regulations and technological development

Able to provide integrated design solutions to customers

- In-house design team with expertise in architectural design, structural design and M&E solutions
- Faster turn-around time as well as provide integrated cost and time efficient design solutions to customers

Strong business relations with customers and sub-contractors

- Committed to consistently deliver projects and services to the satisfaction of customers and build up strong relations with sub-contractors
- Continuously improve service standards and operating efficiency

PROSPECTS

1

The Directors believe that the Singapore Government will release more commercial space to meet the potential demand for industrial land and to moderate industrial land prices. It is expected that such increased supplies of commercial space will lead to an increased volume of commercial space projects available for tender

2

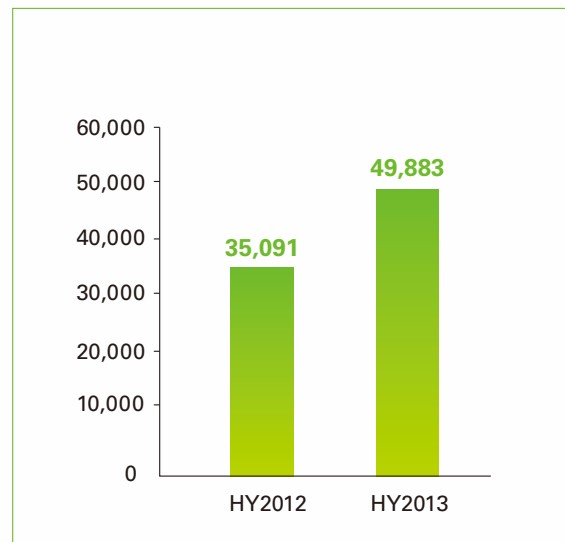
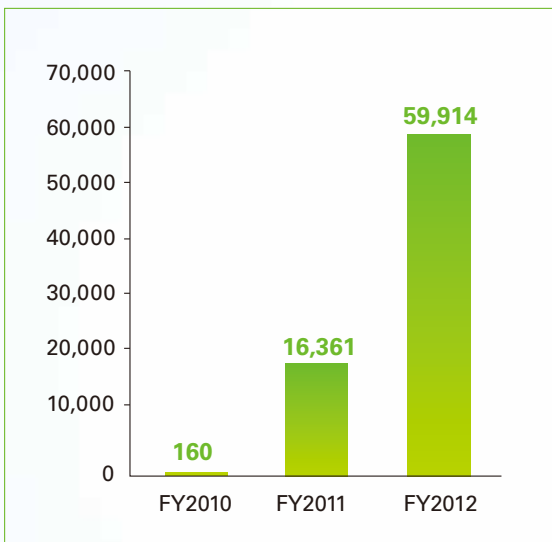
Implementation of industrial clusters and industrial projects in Malaysia’s Regional Economic Corridors such as the Iskandar Malaysia, the Northern Corridor Economic Region and the East Coast Economic Region is expected to stimulate demand for more industrial properties

3

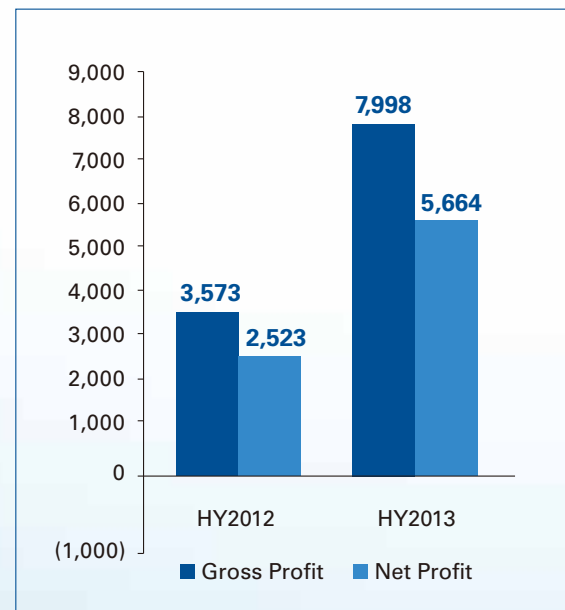
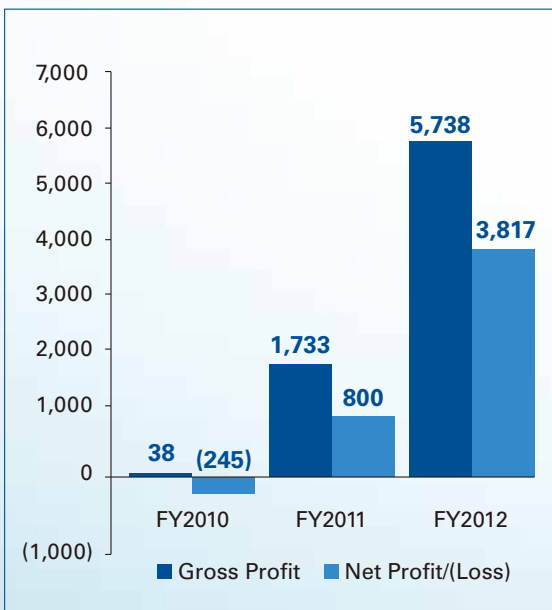
Rapid growth of the e-commerce sector and third party logistics operators in the PRC has led to an increase in demand for modern warehouse facilities

FINANCIAL HIGHLIGHTS

Revenue (S\$'000)



Gross Profit and Net Profit/(Loss) (S\$'000)





ORDER BOOK

As at the Latest Practicable Date, the Group had an order book for on-going project works of approximately S\$91.91 million. A substantial part of these on-going project works is expected to be completed and recognised as revenue between FY2013 and FY2015.

FUTURE PLANS

Undertake property development projects

- Greater control over the entire property development process to capture upstream profit margins
- Explore appropriate opportunities through suitable acquisitions, investments, strategic alliances, potential partnerships and/or joint ventures with other property developers
- Continue to source for development sites to capitalise on suitable development opportunities

Expansion of operations in existing markets and into new markets

- Expand operations in existing markets
- Expand design and build, project management and/or property development operations to other countries in Asia
- Undertake preliminary studies and analysis to explore the potential and feasibility of expanding into other parts of Asia

Financing the purchase of the New Office and repayment of bank borrowings for the purchase of the New Office

- Entered into sale and purchase agreements to purchase the New Office
- Purchase of the New Office is expected to result in savings in operating costs arising from monthly rental payments
- Repayment of approximately S\$1.76 million to DBS Bank Ltd. arising from a 10-year term loan with DBS Bank Ltd. obtained to partially finance the purchase of the New Office

Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances

- Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances to expand the Group's network
- Intend to seek new and suitable opportunities to expand into high growth regional markets

TABLE OF CONTENTS

CORPORATE INFORMATION	5
DEFINITIONS	7
GLOSSARY OF TECHNICAL TERMS	15
CAUTIONARY NOTE ON FORWARD LOOKING STATEMENT	16
SELLING RESTRICTIONS	18
DETAILS OF THE PLACEMENT	19
LISTING ON THE CATALIST	19
INDICATIVE TIMETABLE FOR LISTING	24
PLAN OF DISTRIBUTION	25
OFFER DOCUMENT SUMMARY	27
OUR COMPANY	27
OUR BUSINESS	27
OUR COMPETITIVE STRENGTHS	28
OUR BUSINESS STRATEGIES AND FUTURE PLANS	28
ORDER BOOK	28
OUR CONTACT DETAILS	28
THE PLACEMENT	29
SUMMARY FINANCIAL INFORMATION	30
RISK FACTORS	32
RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY	32
GENERAL RISKS AND RISKS RELATING TO OUR OVERSEAS OPERATIONS	42
RISKS RELATING TO AN INVESTMENT IN OUR SHARES	46
PLACEMENT STATISTICS	49
USE OF PROCEEDS AND LISTING EXPENSES	51
DIVIDEND POLICY	53
SHARE CAPITAL	54
SHAREHOLDERS	58
SHAREHOLDING AND OWNERSHIP STRUCTURE	58
SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP	59
MORATORIUM	59
DILUTION	60
RESTRUCTURING EXERCISE	61

TABLE OF CONTENTS

GROUP STRUCTURE	62
SELECTED CONSOLIDATED FINANCIAL INFORMATION	63
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION	66
OVERVIEW.....	66
REVIEW OF RESULTS OF OPERATIONS.....	68
REVIEW OF PAST PERFORMANCE	69
REVIEW OF FINANCIAL POSITION.....	73
LIQUIDITY AND CAPITAL RESOURCES	76
INFLATION	79
CAPITAL EXPENDITURE AND DIVESTMENTS.....	79
FOREIGN EXCHANGE MANAGEMENT.....	80
SIGNIFICANT ACCOUNTING POLICY CHANGES.....	80
CAPITALISATION AND INDEBTEDNESS	81
WORKING CAPITAL	84
GENERAL INFORMATION ON OUR GROUP	85
HISTORY	85
BUSINESS	87
PROJECTS UNDERTAKEN BY OUR GROUP	90
QUALITY MANAGEMENT.....	91
OUR MAJOR CUSTOMERS.....	92
OUR MAJOR SUB-CONTRACTORS	93
CREDIT POLICY.....	94
MARKETING AND BUSINESS DEVELOPMENT	95
INSURANCE.....	95
INTELLECTUAL PROPERTY	96
LICENCES, PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS.....	96
RESEARCH AND DEVELOPMENT	111
SEASONALITY	111
STAFF TRAINING.....	111
COMPETITION	112
COMPETITIVE STRENGTHS.....	113
PROPERTIES AND FIXED ASSETS.....	114
AWARDS AND CERTIFICATIONS	115
PROSPECTS	115

TABLE OF CONTENTS

TREND INFORMATION AND ORDER BOOK	116
BUSINESS STRATEGIES AND FUTURE PLANS	118
INTERESTED PERSON TRANSACTIONS	120
PAST INTERESTED PERSON TRANSACTIONS	120
ON-GOING INTERESTED PERSON TRANSACTIONS	120
GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS	122
POTENTIAL CONFLICTS OF INTEREST	124
DIRECTORS, MANAGEMENT AND STAFF	126
DIRECTORS	126
EXECUTIVE OFFICERS	131
MANAGEMENT REPORTING STRUCTURE	135
EMPLOYEES	136
DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION	137
SERVICE AGREEMENTS	137
THE FIGTREE EMPLOYEE SHARE OPTION SCHEME	141
CORPORATE GOVERNANCE	148
DESCRIPTION OF ORDINARY SHARES	151
EXCHANGE CONTROLS	156
TAXATION	158
CLEARANCE AND SETTLEMENT	162
GENERAL AND STATUTORY INFORMATION	163
INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS	163
SHARE CAPITAL	166
MATERIAL CONTRACTS	166
LITIGATION	167
MANAGEMENT AND PLACEMENT ARRANGEMENTS	167
MISCELLANEOUS	169
CONSENTS	170
RESPONSIBILITY STATEMENT BY OUR DIRECTORS	171
DOCUMENTS FOR INSPECTION	171
APPENDIX A – INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2010, 2011 AND 2012..	A-1

TABLE OF CONTENTS

APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013 . . .	B-1
APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH PERIOD ENDED 30 JUNE 2013	C-1
APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION	D-1
APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME . .	E-1
APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE	F-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Danny Siaw (Executive Chairman and Managing Director) Tan Chew Joo (Executive Director and Cost Director) Thomas Woo Sai Meng (Non-Executive Director) Lee Kim Huat (Lead Independent Director) Lee Choong Hiong (Independent Director) Pong Chen Yih (Independent Director)
COMPANY SECRETARY	:	Lee Bee Fong (ACIS)
REGISTERED OFFICE	:	315 Outram Road #13-10 Tan Boon Liat Building Singapore 169074
SINGAPORE SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898
MANAGER, SPONSOR AND PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 20 Cecil Street #21-02 Equity Plaza Singapore 049705
INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT	:	Ernst & Young LLP Public Accountants and Chartered Accountants One Raffles Quay North Tower Level 18 Singapore 048583 Partner-in-charge: Tan Chian Khong (a member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	Drew & Napier LLC 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315
LEGAL ADVISER TO OUR COMPANY ON MALAYSIAN LAW	:	Vaasan Chan & Chandran Unit 23-2, Level 23, Binjai 8, No. 2, Lorong Binjai 50450 Kuala Lumpur Malaysia

CORPORATE INFORMATION

LEGAL ADVISER TO OUR COMPANY ON PRC LAW	:	Dacheng Law Offices LLP 24/F Shanghai World Financial Center 100 Century Avenue Shanghai, 200120 PRC
PRINCIPAL BANKERS	:	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982 United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
RECEIVING BANKER	:	The Bank of East Asia, Limited 60 Robinson Road BEA Building Singapore 068892

DEFINITIONS

In this Offer Document and the accompanying Application Form, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

Companies within our Group

<i>“Company” or “Figtree”</i>	:	Figtree Holdings Limited. The terms “we”, “our”, “our Company” or “us” have correlative meanings
<i>“Figtree Developments”</i>	:	Our subsidiary, Figtree Developments Pte. Ltd.
<i>“Figtree Projects”</i>	:	Our subsidiary, Figtree Projects Pte. Ltd.
<i>“Figtree Malaysia”</i>	:	Our subsidiary, Figtree Projects Sdn Bhd
<i>“Figtree Shanghai”</i>	:	Our subsidiary, Figtree Projects (Shanghai) Co., Ltd.
<i>“Vibrant Properties”</i>	:	Our associated company, Vibrant Properties Pte. Ltd.
<i>“Group” or “Group Companies”</i>	:	Our Company, subsidiaries and associated company as at the date of this Offer Document

Other Companies, Organisations and Agencies

<i>“Authority”</i>	:	Monetary Authority of Singapore
<i>“BCA”</i>	:	Building and Construction Authority
<i>“CDP” or “Depository”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	Central Provident Fund
<i>“Freight Links”</i>	:	Freight Links Express Holdings Limited, a company listed on the Mainboard of the SGX-ST
<i>“ISO”</i>	:	International Organisation for Standardisation
<i>“JTC”</i>	:	JTC Corporation
<i>“MOM”</i>	:	Ministry of Manpower
<i>“Manager”, “Sponsor”, “Placement Agent” or “PPCF”</i>	:	PrimePartners Corporate Finance Pte. Ltd.
<i>“Nylect Engineering”</i>	:	Nylect Engineering (Shanghai) Co., Ltd
<i>“REDAS”</i>	:	Real Estate Developers’ Association of Singapore

DEFINITIONS

“SCCS”	:	Securities Clearing & Computer Services (Pte) Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services
“Singapore Enterprises”	:	Singapore Enterprises Private Limited, a wholly-owned subsidiary of Freight Links
“Tech-Link”	:	Tech-Link Storage Engineering Pte Ltd
“URA”	:	Urban Redevelopment Authority

General

“Application Form”	:	The printed application form to be used for the Placement Shares and which form part of this Offer Document
“Application List”	:	The list of applications for the subscription of the Placement Shares
“Articles” or “Articles of Association”	:	The articles of association of our Company, as amended, supplemented or modified from time to time
“Associate”	:	<p>(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:</p> <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the total votes attached to all the voting shares; <p>(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more of the total votes attached to all the voting shares</p>

DEFINITIONS

<i>“Associated Company”</i>	:	In relation to a corporation, means: <ul style="list-style-type: none">(a) any corporation in which the corporation or its subsidiaries have, or the corporation and its subsidiaries together have, a direct interest of not less than 20% but not more than 50% of the total votes attached to all the voting shares; or(b) any corporation, other than subsidiaries of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiaries, or the corporation together with its subsidiaries, is able to control or influence materially
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Audrea Ling”</i>	:	Our Chief Financial Officer, Ling Liong Kiong Audrea @ Audrea Nadya Ling
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rule” or “Catalist Rules” or “Listing Manual”</i>	:	Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as the case may be, as amended, supplemented or modified from time to time
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
<i>“Controlling Shareholder”</i>	:	In relation to a corporation, means: <ul style="list-style-type: none">(a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or(b) a person who has an interest of 15.0% or more of the total votes attached to all the voting shares in a corporation, unless he does not exercise control over the corporation
<i>“Danny Siaw”</i>	:	Our Executive Chairman and Managing Director, Siaw Ken Ket @ Danny Siaw
<i>“Director”</i>	:	A director of our Company as at the date of this Offer Document

DEFINITIONS

<i>“Entity at Risk”</i>	:	(a) The Company; (b) subsidiaries of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an Associated Company that is not listed on the SGX-ST or an approved exchange, provided that our Group or our Group and our Interested Person(s), has control over the Associated Company
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Company as at the date of this Offer Document, who are also key executives as defined under the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005 of Singapore, unless otherwise stated
<i>“FLET Project”</i>	:	The project undertaken by Figtree Projects for Freight Links E-Logistics Technopark Pte Ltd in relation to the proposed extension of a single storey warehouse at the first storey and additional and alteration at the second storey of an existing 7-storey single-user warehouse at 30 Tuas Avenue 10, Singapore
<i>“FRS”</i>	:	Singapore Financial Reporting Standards
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 31 December
<i>“GDP”</i>	:	Gross Domestic Product
<i>“HY”</i>	:	Half year ended or, as the case may be, ending 30 June
<i>“Independent Directors”</i>	:	The independent, Non-executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Interested Person”</i>	:	<p>(a) a director, chief executive officer or Controlling Shareholder of the Company; or</p> <p>(b) an Associate of any such director, chief executive officer or Controlling Shareholder of the Company</p>
<i>“Interested Person Transaction”</i>	:	Means a transaction between an Entity at Risk and an Interested Person

DEFINITIONS

<i>“KWE Project”</i>	:	The project undertaken by Figtree Projects for Tech-Link in relation to the proposed erection of a 8-storey ramp up warehouse development including mezzanine office at 9 Jurong West Street 22, Singapore
<i>“Latest Practicable Date” or “LPD”</i>	:	3 October 2013, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST
<i>“Listing”</i>	:	The listing of the Shares on Catalist
<i>“LPS”</i>	:	Loss per Share
<i>“Management Agreement”</i>	:	The full sponsorship and management agreement between our Company and PPCF pursuant to which PPCF shall sponsor and manage the Listing as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net assets value
<i>“New Office”</i>	:	Three units of properties at 8 Jalan Kilang Barat, #03-01, #03-02 and #03-09, Singapore 159351
<i>“NTA”</i>	:	Net tangible assets
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-executive Directors”</i>	:	The non-executive Directors of our Company (including the Independent Directors) as at the date of this Offer Document, unless otherwise stated
<i>“Offer Document”</i>	:	This Offer Document dated 29 October 2013 issued by our Company in respect of the Placement
<i>“Options”</i>	:	The share options which may be granted under the Figtree Employee Share Option Scheme
<i>“Option Shares”</i>	:	The new Shares which may be allotted and issued upon the exercise of the Options
<i>“periods under review”</i>	:	The periods comprising FY2010, FY2011, FY2012 and HY2013

DEFINITIONS

<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription at the Placement Price subject to and on the terms and conditions set out in this Offer Document
<i>“Placement Agreement”</i>	:	The placement agreement entered into between our Company and the Placement Agent pursuant to which the Placement Agent shall procure subscribers for the Placement Shares at the Placement Price as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.22 for each Placement Share
<i>“Placement Shares”</i>	:	The 54,546,000 new Shares which are the subject of the Placement
<i>“PRC”</i>	:	The People’s Republic of China
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document
<i>“Restructuring Exercise”</i>	:	The restructuring exercise implemented in connection with the Listing, more fully described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Robert Oei”</i>	:	Our Technical Director of Figtree Projects, Oei Tjhing Bo Robert
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“SEJ Project”</i>	:	The project undertaken by Figtree Projects for Seo Eng Joo Frozen Food Pte Ltd in relation to the proposed erection of a 9-storey food processing and cold room/ramp up warehouse at Jalan Buroh, Singapore
<i>“Senoko South Project”</i>	:	The project undertaken by Figtree Projects for Tech-Link in relation to the proposed addition and alteration to part 2/part 4-storey single user/purpose factory at 26 Senoko South Road, Singapore

DEFINITIONS

<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and our Executive Directors, Danny Siaw and Tan Chew Joo and our Executive Officers, Audrea Ling, Robert Oei, Teoh Hoon Song and Fung Tze Ping as described in the section entitled “Directors, Management and Staff – Service Agreements” of this Offer Document
<i>“SFR”</i>	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, as amended, supplemented or modified from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholder” shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
<i>“Substantial Shareholders”</i>	:	Persons who have an interest in one or more voting shares, and the total votes attaching to that share or those shares, represent not less than 5% of the total votes attaching to all the voting shares in our Company
<i>“Sunview Project”</i>	:	The project undertaken by Figtree Projects for Second Development Pte Ltd in relation to the proposed erection of a 8-storey ramp up warehouse development including mezzanine office at Sunview Way, Singapore

Currencies, Units and Others

<i>“RM” and “MYR”</i>	:	Ringgit Malaysia and Malaysian dollars respectively
<i>“RMB”</i>	:	Renminbi
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively

Units and Others

<i>“%” or “per cent.”</i>	:	Per centum or percentage
<i>“sq ft”</i>	:	Square feet
<i>“sq m”</i>	:	Square metre

DEFINITIONS

Any capitalised terms relating to the Figtree Employee Share Option Scheme which are not defined in this section of this Offer Document shall have the meanings ascribed to them as stated in Appendix E of this Offer Document.

The expression “subsidiaries” shall have the meaning ascribed to it in the SFR and the Companies Act.

The expression “Entity” includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and the Application Form to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act, the SFA, the SFR or any statutory modification thereof and used in this Offer Document and the Application Form shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the SFR or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and the Application Form to Shares being allotted and/or allocated to you includes allotment and/or allocation to CDP for your account.

Any reference to a time of day in this Offer Document and the Application Form is a reference to Singapore time unless otherwise stated.

Any reference in this Offer Document to “we”, “our”, “us” or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in our industry. The terms and abbreviations and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms.

<i>“ISO”</i>	:	International Organisation for Standardisation, a worldwide federation of national standards bodies from more than 140 countries, whose mission is to develop industrial standards that facilitate international trade
<i>“ISO 14001”</i>	:	A constituent part of the ISO 14000 series which specifies the requirements for an environmental management system to enable an organisation to develop and implement a policy and objectives to control the impact of its activities, products or services on the environment
<i>“ISO 9001”</i>	:	A constituent part of the ISO 9000 series which specifies the requirements for a quality management system for any organisation that needs to demonstrate its ability to consistently provide products that meet customer and applicable requirements and aim to enhance customer satisfaction
<i>“main contractor”</i>	:	Any construction entity which oversees all aspects of a construction project from planning, cost control and project management, and subcontracts part or all of the work in a construction project to sub-contractors
<i>“M&E”</i>	:	Mechanical and electrical engineering
<i>“MYE”</i>	:	Man-year entitlement. MYE reflects the total quota of foreign construction workers allocated to a main contractor (being a company that contracts a project directly from the developer or owner) for a specific construction project
<i>“OHSAS 18001”</i>	:	A constituent of the OHSAS 18000 series which specifies the requirements for an occupational health and safety management system to enable an organisation to develop and implement a policy and objectives which take into account legal requirements and information about health and safety risks
<i>“quantity surveying”</i>	:	The preparation of cost estimates, quantities, pricing and quotation for the project
<i>“sub-contractor”</i>	:	Any construction entity which contracts with another construction entity to perform part of or all of the work the latter has already contracted to do
<i>“TOP”</i>	:	Temporary occupation permit
<i>“variation order”</i>	:	Variation works which are not included in the original scope of works and/or excluded works from the original scope of works

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENT

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) trends in demand and costs;
- (c) expected industry trends and development;
- (d) anticipated expansion plans;
- (e) anticipated commencement and completion dates for projects; and
- (f) other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) changes in political, social and economic conditions and the regulatory environment in Singapore in which we conduct business;
- (b) changes in currency exchange rates;
- (c) our anticipated growth strategies and expected internal growth;
- (d) changes in the availability and prices of construction materials and building parts which we require for the operation of our business;
- (e) changes in customers’ preferences;
- (f) changes in competitive conditions and our ability to compete under such conditions;
- (g) changes in our future capital needs and the availability of financing and capital to fund such needs; and
- (h) other factors beyond our control.

Some of these risk factors are discussed in more detail under the section entitled “Risk Factors” of this Offer Document. All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENT

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. Neither the Company, the Manager, Sponsor and Placement Agent nor any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We and the Manager, Sponsor and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the registration of the Offer Document but before the close of the Placement, our Company becomes aware of (a) a false or misleading statement or matter in the Offer Document; (b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before the Offer Document was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for our Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of our Placement Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of our Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Manager, Sponsor and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Manager, Sponsor and Placement Agent.

DETAILS OF THE PLACEMENT

LISTING ON THE CATALIST

A copy of this Offer Document has been lodged with the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority does not imply that the SFA, the Catalist Rules or any other legal or regulatory requirements, have been complied with. The SGX-ST has not, in any way, considered the merits of our existing issued Shares, the Placement Shares or the Option Shares as the case may be, being offered or in respect of which the Placement is made. We have not lodged this Offer Document in any other jurisdiction.

We have made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued, the Placement Shares, which are the subject of the Placement, as well as the Option Shares on Catalist. Such permission will be granted when we have been admitted to Catalist. Acceptance of applications will be conditional upon, *inter alia*, the issue of the Placement Shares and permission being granted by the SGX-ST for the listing and quotation of all our existing issued Shares, the Placement Shares and the Option Shares on Catalist. If the admission, listing and trading of our Shares already issued and the Placement Shares do not proceed or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim whatsoever against us and the Manager, Sponsor and Placement Agent.

No Shares will be issued and allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Mainboard of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor to confirm that the Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares or units of Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our associated company, our existing issued Shares, the Placement Shares or the Option Shares.

We are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document, but before the close of the Placement, we become aware of:

- (a) a false or misleading statement or matter in the Offer Document;

DETAILS OF THE PLACEMENT

- (b) an omission from the Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, that would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

- (a) where the Placement Shares have not been issued to the applicants, our Company shall:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom; or
- (b) where the Placement Shares have been issued to the applicants, our Company shall:
 - (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

DETAILS OF THE PLACEMENT

- (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Placement Shares which they do not wish to retain title in; or
- (iii) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void and within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company and the Manager, Sponsor and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against our Company and the Manager, Sponsor and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (“**Stop Order**”) to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted or issued. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority’s opinion, is false or misleading, (ii) omits any information that should have been included in it under the SFA, or (iii) does not, in the Authority’s opinion, comply with the requirements of the SFA.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claims against our Company and the Manager, Sponsor and Placement Agent.

This Offer Document has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and all expressions of opinion, intention and expectation in this Offer

DETAILS OF THE PLACEMENT

Document are fair and accurate in all material respects as at the date of this Offer Document and that there are no material facts the omission of which would make any statements in the Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group.

Neither our Company and the Manager, Sponsor and Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares and the Placement Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us or the Manager, Sponsor and Placement Agent. Neither the delivery of this Offer Document and the Application Form nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and/or the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or Authority. All applicants should take note of any such announcements, or supplementary or replacement offer document and, upon the release of such an announcement, or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any other persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Form may be obtained upon request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

DETAILS OF THE PLACEMENT

A copy of this Offer Document is also available on the SGX-ST website <http://www.sgx.com>.

The Placement will be open from 29 October 2013 (immediately upon the registration of the Offer Document by the SGX-ST, acting as agent on behalf of the Authority (the “Registration”)) to 7 November 2013.

The Application List will open immediately upon the Registration on 29 October 2013 and will remain open until 12.00 noon on 7 November 2013 or for such further period or periods as our Directors may, in consultation with the Manager, Sponsor and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in Appendix F of this Offer Document.

DETAILS OF THE PLACEMENT

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of our Shares is set out below:

Indicative date/time	Event
29 October 2013, immediately upon the Registration	Open of Placement
7 November 2013, 12.00 noon	Close of Application List
11 November 2013, 9.00 a.m.	Commence trading on a “ready” basis
14 November 2013	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 7 November 2013, the date of admission of our Shares to Catalist will be on 11 November 2013, the shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 11 November 2013.

The above timetable and procedures may be subject to such modification(s) as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>; and
- (b) in a local newspaper(s).

We will publicly announce the level of subscription and the results of the distribution of the Placement Shares pursuant to the Placement, as soon as it is practicable after the close of the Application List through channels in (a) and (b) above.

You should consult the SGX-ST’s announcement on the “ready” trading date released on the Internet (at the SGX-ST website <http://www.sgx.com>) or the local newspapers, or check with your brokers on the date on which trading on a “ready” basis will commence.

PLAN OF DISTRIBUTION

The Placement is for 54,546,000 Placement Shares offered in Singapore and the Listing is managed and sponsored by PPCF.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by us, in consultation with the Manager, Sponsor and Placement Agent, taking into account, *inter alia*, prevailing market conditions and the estimated market demand for our Shares, determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management Agreement entered into between us and PPCF as set out in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, we have appointed PPCF and PPCF has agreed to manage and to be the full sponsor of the Listing.

The Placement Shares are made available to retail and institutional investors who may apply through their brokers or financial institutions by way of the Application Form. Applications for the Placement Shares may only be made by way of the printed Application Forms as described in Appendix F of this Offer Document.

Pursuant to the Placement Agreement entered into between us and the Placement Agent as set out in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, we have appointed PPCF as the Placement Agent and PPCF has agreed to procure subscriptions for the Placement Shares for a placement commission of 3.0% of the aggregate Placement Price, payable by us, for the total number of Placement Shares successfully subscribed for. Subject to any applicable laws and regulations, the Company agrees that the Placement Agent shall be at liberty at its own expense to appoint one or more sub-placement agents under the Placement Agreement upon such terms and conditions as the Placement Agent may deem fit.

Subscribers of the Placement Shares may be required to pay brokerage or selling commission of up to 1.0% of the Placement Price (and the prevailing goods & services tax thereon, if applicable) to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

None of our Directors or Substantial Shareholders intends to subscribe for the Placement Shares. As far as we are aware, none of the members of our Company’s management or employees intends to subscribe for more than 5.0% of the Placement Shares in the Placement.

As at the date of this Offer Document, Tay Guek Nah, the spouse of our Executive Chairman and Managing Director, Danny Siaw, has indicated her interest to subscribe for 230,000 Placement Shares, representing approximately 0.1% of our post-Placement share capital. In the event that Tay Guek Nah is allotted such number of Placement Shares, Danny Siaw will be deemed interested in the Shares held by Tay Guek Nah. Please refer to the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document for more details.

Save as disclosed, to the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for Shares amounting to more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares pursuant to the Placement and are subsequently allotted such number of

PLAN OF DISTRIBUTION

Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares shall be issued and allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document.

INTERESTS OF MANAGER, SPONSOR AND PLACEMENT AGENT

In the reasonable opinion of our Directors, the Manager, Sponsor and Placement Agent, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Manager, Sponsor and Placement Agent in relation to the Listing; and
- (b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on Catalist.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section entitled “Risk Factors” of this Offer Document before deciding to invest in our Shares.

OUR COMPANY

Our Company was incorporated on 5 June 2013 in Singapore under the Companies Act as an investment holding private limited company under the name of “Figtree Holdings Pte. Ltd.”. Our Company’s registration number is 201315211G.

Pursuant to the Restructuring Exercise as described in the section entitled “Restructuring Exercise” in this Offer Document, our Company became the holding company of our Group on 9 October 2013. Our Company was converted into a public limited company on 11 October 2013 and changed its name from “Figtree Holdings Pte. Ltd.” to “Figtree Holdings Limited”.

OUR BUSINESS

We are a group specialising in the design and building of commercial and industrial facilities. As a secondary activity, we also engage in property development. Our scope of services covers the full spectrum of the project development process including land search and authority liaison, feasibility studies, design and construction.

Our design expertise includes architectural concept design, civil and structural design, mechanical and electrical design, cleanrooms and process services engineering.

For projects where we are engaged to provide design and project and construction management services, these projects are highly valued as their conceptual design and project management elements necessitate a greater degree of technical know-how and expertise. Depending on the nature, scale and complexity of the works, we usually take approximately one to two years to complete a project.

In Singapore, in addition to providing design and project and construction management services, we typically also act as the main contractor in our projects, which cover new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In the PRC and Malaysia, we typically provide design and project and construction management consulting services.

Please refer to the section entitled “General Information on Our Group – Business” of this Offer Document for more details.

OFFER DOCUMENT SUMMARY

OUR COMPETITIVE STRENGTHS

Our Directors believe that our competitive strengths are as follows:

- We have an established track record in the construction industry
- We have established strong business relations with our customers and sub-contractors
- We have a committed, qualified and experienced management team and support staff
- We are able to provide integrated design solutions to our customers

Please refer to the section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document for more details.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

- Undertake property development projects
- Expansion of our operations in existing markets and into new markets
- Financing the purchase of the New Office and repayment of bank borrowings for the purchase of the New Office
- Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances

A detailed discussion of our business strategies and future plans is set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

ORDER BOOK

As at the Latest Practicable Date, we had an order book for on-going project works of approximately S\$91.91 million. A substantial part of these on-going project works is expected to be completed and recognised as revenue between FY2013 and FY2015.

Please refer to the section entitled “General Information on our Group – Trend Information and Order Book” of this Offer Document for more details.

OUR CONTACT DETAILS

Our Company’s registered office and principal place of business is located at 315 Outram Road #13-10 Tan Boon Liat Building Singapore 169074. Our Company’s telephone number is +65 6278 9722 and our facsimile number is +65 6278 9747. Our internet address is <http://www.figtreeasia.com>. **Information contained in our website does not constitute part of this Offer Document.**

THE PLACEMENT

Placement Size	:	54,546,000 Placement Shares. The Placement Shares will, upon issue and allotment, rank <i>pari passu</i> in all respects with our existing issued Shares.
Placement Price	:	S\$0.22 for each Placement Share, payable in full on application.
Purpose of the Placement	:	<p>Our Directors consider that the listing and quotation of our Shares on Catalist will enhance our public image locally and overseas and enable us to tap the capital markets for the expansion of our business operations.</p> <p>The Placement will also provide the members of the public, our management, employees and business associates who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds from the issue of the Placement Shares will also provide us with, <i>inter alia</i>, additional working capital to finance our business expansion.</p>
The Placement	:	The Placement comprises a placement of 54,546,000 Placement Shares by way of placement, subject to and on the terms of this Offer Document.
Listing Status	:	Prior to the Listing, there had been no public market for our Shares. Our Shares will be quoted on Catalist, subject to admission of our Company to Catalist and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

SUMMARY FINANCIAL INFORMATION

The following summary financial data should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and the “Independent Auditor’s Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012”, the “Independent Auditor’s Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013” and the “Independent Auditor’s Report on the Unaudited Pro Forma Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013” as set out in Appendices A, B and C of this Offer Document.

(S\$'000)	← Audited →			← Unaudited →		← Unaudited Pro Forma →	
	FY2010	FY2011	FY2012	HY2012	HY2013	FY2012	HY2013
Revenue	160	16,361	59,914	35,091	49,883	59,914	49,883
Profit/(loss) before taxation ⁽¹⁾	(245)	918	4,466	2,942	6,879	4,359	6,823
Profit/(loss) attributable to equity holders of the Company⁽¹⁾	(245)	781	3,811	2,496	5,704	3,705	5,649
EPS/(LPS) (cents) ⁽²⁾	(0.11)	0.35	1.71	1.12	2.56	1.66	2.53
Adjusted EPS/(LPS) (cents) ⁽³⁾	(0.09)	0.28	1.37	0.90	2.06	1.33	2.04

Notes:

- (1) Had the Service Agreements (set out in the section entitled “Directors, Management and Staff – Service Agreements” of this Offer Document) been in place since 1 January 2012, our audited consolidated profit before taxation, profit attributable to equity holders of the Company and adjusted EPS computed based on our post-Placement share capital of 277,546,000 Shares for FY2012 would have been approximately S\$4.72 million, S\$4.02 million and 1.45 cents respectively.
- (2) For comparative purposes, the EPS/(LPS) for the periods under review have been computed based on the profit/(loss) attributable to equity holders of the Company and the pre-Placement share capital of 223,000,000 Shares.
- (3) For comparative purposes, the adjusted EPS/(LPS) for the periods under review have been computed based on the profit/(loss) attributable to equity holders of the Company and our post-Placement share capital of 277,546,000 Shares.

SUMMARY FINANCIAL INFORMATION

	← Audited →	← Unaudited →	← Unaudited Pro Forma →	
(S\$'000)	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013
Non-current assets	143	171	3,671	3,700
Current assets	28,521	38,786	27,110	37,376
Total assets	28,664	38,957	30,781	41,076
Current liabilities	23,668	29,784	23,879	29,996
Non-current liabilities	14	20	1,920	1,927
Total liabilities	23,682	29,804	25,799	31,923
Net assets	4,982	9,153	4,982	9,153
Total equity	4,982	9,153	4,982	9,153
Total liabilities and equity	28,664	38,957	30,781	41,076
NTA per Share (cents)⁽¹⁾⁽²⁾	2.23	4.10	2.23	4.10

Notes:

(1) NTA is defined as total tangible assets less total liabilities.

(2) The NTA per Share is computed based on the net tangible assets value and the pre-Placement share capital of 223,000,000 Shares.

RISK FACTORS

You should evaluate carefully each of the following risk factors and all of the other information set forth in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares.

You should also note that certain of the statements set forth below constitute “forward-looking statements” that involve risks and uncertainties. If any of the following risk factors and uncertainties develops into actual events, our business, financial condition or results of operations or cash flows could be materially and adversely affected. In such circumstances, the trading price of our Shares could decline and you may lose all or part of your investment. To the best of our Directors’ belief and knowledge, all the risk factors that are material to investors in making an informed judgement have been set out below.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

We are dependent on the construction industry in Singapore, which is in turn dependent on the health of the local property market and general economy

As we derived approximately 100.0%, 98.7%, 99.4% and 99.9% of our revenue for FY2010, FY2011, FY2012 and HY2013, respectively, from the construction industry in Singapore, we are exposed to the fluctuations of the construction industry in Singapore which is in turn dependent on the health of the property market and the general economy of Singapore. A downturn in the Singapore economy will dampen general sentiments in the property market in Singapore and reduce construction demand, which may invariably have a material adverse effect on our business and financial performance. In addition, this cyclical change in the construction industry may result in reduced number of projects available for tender and our profit margins may be eroded due to keener competition.

Our business is generally project-based and we face the risk of any delay or premature termination of our secured projects and/or we may not be able to secure new projects

Our business is generally project-based. We therefore have to continuously and consistently secure new customers and/or new projects. If we are unable to secure new projects of a similar contract value, size or margins to existing ones and/or our secured projects are delayed or prematurely terminated because of factors such as changes in our customers’ businesses, poor market conditions or lack of funds on the part of the property owners/developers of projects, this would lead to idle or excess capacity for us or may expose us to be liable to our sub-contractors and/or suppliers, and may adversely affect our business, financial performance and financial condition.

The delay or premature termination of any projects or contracts in progress or customers’ decision not to proceed with a contracted project whereby our Group will not be adequately compensated will have a material adverse effect on our business, financial condition and results of operations. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may materially and adversely affect our Group’s financial performance and financial position.

RISK FACTORS

Our ability to secure projects depends on our ability to secure performance bonds

As all of our design and build projects require a performance bond to be furnished by an acceptable financial institution or insurance company to guarantee our contractual performance in the project, our ability to secure such performance bonds is critical as it would determine our ability to secure such projects. In the event that we are unable to secure the requisite performance bonds for any reason, we may be unable to secure design and build projects and this will materially and adversely affect our revenue and profitability.

We are vulnerable to the availability and costs of employing foreign personnel as well as any significant increase in prices or shortage of construction materials

We typically engage sub-contractors to undertake the actual construction works for our design and build projects and our sub-contractors rely heavily on foreign labour for such projects. Our sub-contractors also typically require construction materials such as steel, bricks, concrete, piping and timber, the prices of which may fluctuate due to changes in supply and demand conditions. As such, our business operations and financial performance are vulnerable to any shortage in the supply of foreign workers or construction materials and any increase in the cost of foreign labour or the prices of construction materials. In particular, where any of the sub-contracted works for an existing project have yet to be awarded to sub-contractors, any increase in foreign manpower costs or increase in the prices of construction materials will be factored in to such sub-contractors' quotes, which may materially and adversely affect our profit margins for such projects.

The supply of foreign manpower as well as the supply of construction materials are subject to any changes in the relevant policies of the countries of origin, market demand or the policies imposed by the MOM in Singapore or other relevant authorities in the jurisdictions where we operate. In the event that there is a shortage of foreign manpower and/or construction materials, our operations may be disrupted and our business and profitability may be adversely affected.

Any cost overruns will adversely affect the financial performance of our Group

Our revenue is largely derived from project-based contracts. The contract value quoted in the tender submission is determined after the evaluation of our scope of work and all related costs including the indicative prices of our sub-contractors. Our contracts for project works are negotiated in advance of the actual project execution and projects can vary in duration from several months up to a few years. Our profitability is therefore dependent on our ability to obtain competitive quotations from sub-contractors at or below our estimated costs, and our ability to execute the contracts efficiently. However, unforeseen circumstances such as logistic disruptions, adverse soil conditions, unfavourable weather or unanticipated construction constraints at the work site may arise during the course of project execution. As these circumstances may require additional work which has not been factored into the contract value, they may lead to cost overruns which may erode our profit margin for the project. There is no assurance that our actual costs incurred will not exceed the estimated costs, due to under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of the contract. Any under-estimation of costs, delay or other circumstances resulting in cost overruns in a contract may adversely affect our profitability.

RISK FACTORS

Changes in government legislation, regulations or policies which affect the construction industry or the property market in Singapore may adversely affect our business operations and financial performance

As the bulk of our revenue is from our design and build business in Singapore, any changes in government legislation, regulations or policies affecting the construction industry or the property market in Singapore could adversely affect our business operations and may have a negative effect on the demand for construction services and in turn will affect our business. The compliance with such new government legislation, regulations or policies may also increase our costs, and any significant increase in such compliance costs may adversely affect our results of operations.

To promote a stable and sustainable property market, the Singapore government monitors the property market closely and adopts measures as and when it deems necessary. Since September 2009, the Singapore government has implemented several rounds of property curbs and cooling measures to keep the buoyancy of the property market in check. Such measures included, *inter alia*, the lowering of loan-to-value limits, the increase in minimum cash downpayment, the imposition of additional buyer's stamp duty and the stipulation of a maximum loan tenure.

There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on our financial performance. In the event that the Singapore government introduces new or more stringent measures which impact the overall performance of Singapore's property market, our operations, profitability and financial performance may be adversely affected.

Please refer to the section entitled "General Information on our Group – Licences, Permits, Approvals, Certifications and Government Regulations" of this Offer Document for further details.

We are subject to the non-renewal, non-granting or suspension of our licences or permits

Our business activities in Singapore are regulated by the BCA and other regulatory authorities. The BCA and other regulatory authorities determine the criteria that must be met before they grant or renew licences and permits which are essential for our business and operations. Please refer to the section entitled "General Information on our Group – Licences, Permits, Approvals, Certifications and Government Regulations" of this Offer Document for more information on the list of regulations and licences that are required by our Group.

The renewal of our permits and licences is subject to compliance with the relevant regulations. There is no assurance that our licences or permits will be renewed upon expiry. In addition, any changes to the existing legislation and regulations may require us to apply for new licences and permits, and there is no assurance that we will be able to obtain these new licences and permits. Failure to renew, obtain or the withdrawal of such licences and permits may have an adverse impact on our operations and financial performance.

We may be adversely affected by disputes with our customers and sub-contractors

Claims are frequently made by and against customers and sub-contractors in the construction industry due to various reasons such as delays, non-payment, defective workmanship and non-compliance with specifications.

Generally, during the course of a project, a customer may also instruct us to perform works which are not included in the original scope of works and/or exclude works from the original scope of works. These are known as variation orders. In order to avoid delays in the completion of the

RISK FACTORS

project, we may perform the variation orders before the value of such variation works are finalised, and the final value of the variation order is subject to negotiation after the completion of the variation works. In such an event, there is a risk that we may not be able to recover the full value that we claim for the variation orders due to disagreement in respect of the claim amounts.

Typically, we are also required to adhere to project schedules as agreed in the contracts with our customers. In the event that we fail to meet project deadlines, we could be required to pay penalties or liquidated damages to the affected customers. There is no assurance that we will not face claims for penalties or liquidated damages, which may result in a negative impact on our business reputation, operations and financial position.

It is also common for our customers to withhold a certain percentage of the contract value as retention monies, which is typically 5% of the contract value, to cover any defects which may surface during the defects liability period. The defects liability period applicable to us is generally up to 12 months. During this period, we are required to rectify defects free of charge. If we are required to rectify defects during the defects liability period which result in substantial additional costs being borne by us, the profitability of the particular project will be reduced. In the event that our customers suffer loss and damage due to the defects, they may claim against us thereby adversely affecting our financial performance.

If a customer withholds the retention monies beyond the defects liability period instead of refunding to us, we may have to lodge a claim for the outstanding retention monies, after initial attempts to collect them prove unsuccessful. In addition, we may not be able to recover the retention monies if our customers go into liquidation or judicial management before such retention monies are due and payable to us.

Any disputes on progress payments, variation orders, retention monies, defective workmanship, non-compliance with specifications or otherwise relating to our projects may have an adverse impact on our financial performance and cash flow.

We may face liquidity and non-payment risks

For all projects on which we are engaged, any indebtedness for amounts payable by our customer to us is unsecured and our customer is not required to provide security or obtain any construction loans or provide to us any evidence of their ability to make good the full value of the construction, as and when they fall due, prior to engaging us. Accordingly, we can only rely on the credit-worthiness of our customer to make payments as and when they fall due, and as such, we may not be paid by our customers notwithstanding the completion of the construction. Furthermore, some of our customers may default on their payments to us, which would result in us having to make allowances for doubtful debts, or to incur write-offs. This may have an adverse effect on our operating results, financial position and financial performance.

For more details, please refer to the section entitled “General Information on Our Group – Credit Policy” of this Offer Document.

We are exposed to the performance and quality of our sub-contracted works

We engage sub-contractors to provide various services for our projects. Sub-contracting costs accounted for approximately 100.0%, 94.7%, 87.5% and 96.6% of our total cost of works in FY2010, FY2011, FY2012 and HY2013 respectively. We select our sub-contractors based on, *inter alia*, their track record, pricing and ability to meet our quality and safety requirements and the stipulated timelines. Where we have sub-contracted such works, we are exposed to the timely

RISK FACTORS

delivery and the quality required of the works sub-contracted to our sub-contractors. We cannot ensure that the services rendered by our sub-contractors will be satisfactory or that they will continue to meet our requirements for quality and safety. In the event that the sub-contractor is unable to perform the works, we, being the main contractors, will be exposed to the ultimate contract performance of the scope of sub-contracted works. Furthermore, the sub-contractor may experience financial or other difficulties that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of, or failing to complete, our projects, resulting in additional costs to us or exposing us to the risk of liquidated damages. Our profitability will also be adversely affected if we are unable to recover the additional costs from the non-performing sub-contractor or if we are unable to engage other sub-contractors to perform the works at the price allocated to the original sub-contractor.

We may be affected by accidents at our work sites

Accidents or mishaps may occur at our work sites even though we have put in place appropriate safety measures. Such accidents or mishaps may severely disrupt our operations and lead to a delay in the completion of a project. In the event of such a delay, we could be liable for liquidated damages under the construction contract with our customers, resulting in an adverse and material effect on our financial performance. Further, we may be subject to personal injury claims from workers or other persons involved in such accidents or mishaps suffered by them, and any significant claims which are not covered by our insurance policies or recovered from the sub-contractor who had employed the relevant worker may materially and adversely affect our operating results and financial performance.

We are liable for delays in the completion of projects

The contracts that we enter into with our customers typically include a provision for the payment by us of pre-determined liquidated damages to our customers in the event the project is completed after the stipulated date of completion stated in the contract arising from any delay caused by us. Delays in a project could occur from time to time due to factors such as adverse weather conditions, shortages of labour, equipment and construction materials, the occurrence of natural disasters, labour disputes, disputes with sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of building materials by suppliers to our sub-contractors. In the event of any delay in the completion of a project due to factors within our control, we could be liable to pay liquidated damages under the contract and incur additional overheads that will adversely affect our earnings and profit margin, thereby materially and adversely affecting our financial condition and results of operations. Although we have never been made liable to pay any liquidated damages, there is no assurance that there will not be any delays in our existing and future projects resulting in the payment of liquidated damages that may have a material and adverse impact on our business, financial condition and results of operations.

Our insurance coverage may not be adequate

We have taken up insurance policies for risks such as contractors' all risk and work injury compensation. However, no insurance can compensate for all potential losses and there can be no assurance that our insurance coverage will be adequate or that our insurers will pay a particular claim. We do not have keyman insurance coverage for our key personnel, including Danny Siaw and Tan Chew Joo. There are also certain types of risks that are not covered by our insurance policies because they are either uninsurable or not economically insurable, including acts of war and acts of terrorism. In addition, we are not insured against business disruption. If

RISK FACTORS

such events were to occur, we may have to bear the costs of any uninsured risk or uninsured amount, which can have a material and adverse effect on our business, results of operations, financial condition and prospects.

We are subject to general safety regulations imposed by the MOM

The MOM places considerable emphasis on inculcating a culture of safety and health in all workplaces. The Workplace Safety and Health Act requires us to take reasonably practicable measures to ensure the safety and health of workers at our work sites.

In the event that our work sites contravene the requisite safety and health standards imposed by the regulatory authorities, we could be fined by the regulatory authorities and/or our work sites may be issued with partial or full stop work orders.

The issuance of such stop work orders may severely disrupt our operations and lead to a delay in the completion of projects. These circumstances may generate negative publicity and adversely affect our market reputation as well as cause a material adverse impact on our business, results of operations and financial performance.

Other than issuing stop work orders, the MOM may also take other actions against us including, *inter alia*, issuing demerit points, issuing charges/summons or warning letters, in the event of occurrence of any accident and/or mishap at our work sites or the contravention of the Workplace Safety and Health Act and non-compliance with other laws and regulations. Any enforcement actions taken against our Group will depend on the severity of each situation and may affect our business, financial condition and operating results accordingly.

On 18 March 2013, our subsidiary, Figtree Projects, was issued with a partial stop work order by the MOM as a result of a collapsed formwork structure constructed by one of its sub-contractors at the work site for our project at 9 Jurong West Street 22. The stop work order was in effect from 13 March 2013 and was lifted on 8 April 2013, when all the safety concerns highlighted by the MOM in the partial stop work order were rectified. The MOM had also issued five demerit points to Figtree Projects in relation to this matter, and we have not received any further demerit points from the MOM since then.

As at the Latest Practicable Date, there is no existing stop work order.

Please see the section entitled “General Information on our Group – Licences, Permits, Approvals, Certifications and Government Regulations” of this Offer Document for more information.

We may be involved in legal and other proceedings arising from our operations from time to time

We may be involved from time to time in disputes pertaining to, *inter alia*, construction, remuneration and compensation issues with various parties in the construction industry. These disputes may lead to legal and other proceedings, and may cause us to suffer additional costs and delays. Any such delays may affect our business and financial performance.

RISK FACTORS

We are subject to competition and may not be able to maintain our competitiveness in the design and build industry and the property development industry

The design and build industry is competitive and we face competition from existing design and build companies as well as new entrants to the design and build industry. Some of these competitors may have larger financial resources that enable them to compete more effectively than us. We may have to offer more competitive prices or try to offer higher quality services.

However, there is no assurance that we will be able to compete successfully with our existing and future competitors and that we will be able to adapt to new trends and conditions. In the event that we are unable to compete successfully against our competitors and to adapt to market conditions, our business, financial position and performance may be adversely affected.

In general, the property development industry is intensely competitive and highly fragmented. We compete with various property developers. Competition between property developers may result in, among other things, increased costs of the acquisition of land for development, oversupply of properties in countries or regions where we compete in, a decrease in property prices, a slow-down in the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such consequences may adversely affect our business, financial performance and financial position.

In addition, if we cannot respond to changes in market conditions more swiftly or effectively than our competitors, our ability to generate revenue, our financial condition and our financial performance will be adversely affected. Many of our competitors are more established than we are and have significantly greater brand recognition, financial, technical, marketing, and other resources than we presently possess. We intend to create greater awareness for our brand name so that we can successfully compete with our competitors. We cannot assure you that we will be able to compete effectively or successfully with current or future competitors or that the competitive pressure we face will not harm our business.

Our Group does not have any proven track record and operating history in the property development business

Our Group does not have a proven track record in carrying out the property development business. There is no assurance that the property development business will be commercially successful and that our Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the property development business. The property development business may require high capital commitments and may expose our Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

Our Group's ability to successfully undertake and grow the property development business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the property development business. There is no assurance that our Group's existing experience and expertise will be sufficient for the property development business, or that our Group will be able to hire employees with the relevant experience and knowledge. The property development business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If our Group does not derive sufficient revenue from or does not manage the costs of the property development business effectively, the overall financial position and profitability of our Group may be affected.

RISK FACTORS

We are dependent on our success in identifying and acquiring development sites

The property development arm of our business is dependent on our ability to identify and acquire land sites appropriate for our property development projects. We face competition for new land sites from other property developers and there is no assurance that suitable sites will always be available to us. In addition, other property developers with whom we compete may have greater resources (financial or otherwise) than us to acquire new land sites. In the event that we are unable to identify and purchase a sufficient number of development sites and are consequently unable to undertake property development projects, the financial performance and profitability of our Group may be affected.

We depend on our ability to identify and complete profitable property development projects

The performance of the property development arm of our business is dependent on our ability to identify profitable property development projects and following such identification, to successfully complete such projects. The viability and profitability of our property development projects may be undermined by changes in the general economic climate, including changes in interest rates, construction costs, land costs and property prices in the jurisdictions in which such projects are being undertaken. Accordingly, there is no assurance that we will always be successful in identifying profitable property development projects or completing such property development projects profitably.

In addition, the project launch dates and completion dates of our proposed property development projects will be made on a “best estimate” basis and unforeseen delays in the launch and completion of these projects will have an adverse effect on our profitability for the financial years during which these projects are to be launched or completed.

We may experience fluctuations in revenue from our property development business

Revenue from our property development business will be recognised based on the completion of construction method, whereby all income from a property development project is booked only after receipt of TOP. Revenue derived from our property development business may therefore fluctuate on a year-to-year basis depending on the number of project completions in a financial year.

We may be subject to limitations of property valuations

We believe that any valuation of properties under our property development projects in future will be based on certain assumptions that are subjective. Unanticipated changes in relation to particular properties, or changes in general or local economic or regulatory conditions or other relevant factors could affect such valuations and the returns that we can realise from these properties. The actual values that we derive from these properties may materially differ from the values attributed to them in the relevant valuation reports.

Our business will be affected by any adverse impact on our reputation

Over the years, we have established a reputation in the design and build industry. We believe our reputation has fostered customer loyalty. Hence, if there are any major lapses in our customer service or adverse publicity on our Group due to circumstances beyond our control, our reputation will be materially and adversely affected and our customers may lose confidence in our services. This will adversely affect our business and hence our financial performance.

RISK FACTORS

We are dependent on certain key personnel for our continued success

We believe our success to-date has been largely attributable to the contributions and expertise of our Executive Directors, Danny Siaw and Tan Chew Joo, as well as our Executive Officers, many of whom have extensive experience in the design and build industry. Danny Siaw and Tan Chew Joo have, in aggregate, more than 50 years of experience in the design and build industry. Our continued success will depend, to a large extent, on our ability to retain the services of our Executive Directors and our Executive Officers. The loss of the services of our Executive Directors or any of our Executive Officers without suitable and timely replacement, or the inability to attract and retain qualified personnel may adversely affect our operations and hence our financial performance.

Our failure to attract and retain skilled personnel could materially affect our operations and business

Our business requires highly skilled personnel such as project managers, site managers and site engineers. Skilled personnel with the appropriate experience in our industries are limited and competition for the employment of such personnel is intense. There is no assurance that we will be able to attract the necessary skilled personnel to work in the regions which we operate or that we will be able to retain the skilled personnel whom we have trained at our cost or whether suitable and timely replacements can be found for skilled personnel who leave us. If we are unable to continue to attract and retain skilled employees, it could materially affect the quality and timelines of our services and our ability to compete effectively and to grow our business.

Our Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, our Group's involvement in the property development business may involve acquisitions, joint ventures or strategic alliances with third parties in Singapore as well as in overseas markets, including the PRC.

Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. In such events, our Group's financial performance may be adversely affected.

If there are disagreements between us and such joint venture partners regarding the business and operations of the joint ventures, we cannot assure you that we will be able to resolve them in a manner that will be in our best interests. In addition, such joint venture partners may (i) have economic or business interests or goals that are inconsistent with ours; (ii) take actions contrary to our instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with us as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of our joint ventures, which may in turn materially and adversely affect our financial condition and financial performance.

RISK FACTORS

We are subject to financing risks and may not have adequate capital resources to finance business activities such as land acquisitions or property developments

Property development is capital intensive. The availability of adequate capital resources is crucial to our ability to acquire land and to complete our property development projects according to plan. We intend to finance our first property development project through internal funding and part of the proceeds from the Placement. However, we may in the future also look to external sources of funds, which comprise of bank borrowings and other debt and equity financing. As revenue from our property development business is recognised based on the completion of construction method, our property development business may result in periods where we experience net negative operating cash flows that have to be financed through our existing cash and bank balances and external sources of funds, which represents greater reliance on such sources of funds during these periods.

We cannot assure you that we will have adequate capital resources available to finance our business activities such as land acquisitions or property developments. This may arise from inadequacy of:

- internal funds such as low cash levels and/or that we are unable to achieve sufficient pre-sale in order to fund our property developments; and/or
- external sources of funds.

Our ability to arrange adequate external financing (if necessary) on terms that will allow us a commercially acceptable return depends on a number of factors that are beyond our control, including general economic and political conditions, the terms on which financial institutions are willing to extend credit to us and the availability of other sources of debt or equity financing. There is no assurance that we will be able to obtain external financing support in the future on acceptable terms, or any financing support at all.

In such events, we may not be able to finance our business activities and our cash flow, and as such our financial performance and financial position may be adversely affected. In addition, we may require additional borrowings to fund our future development projects. The incurrence of additional debt will increase our interest payments required to service our debt obligations and could result in operating and financial covenants that restrict our operations and our ability to pay dividends to our Shareholders.

We may not be able to undertake future property development projects on a guaranteed sale basis

Property development projects, in general, may be undertaken on a guaranteed sale basis. There is however no assurance our future property development projects will be undertaken on such basis. Where there is no entity which has undertaken to purchase future property development projects at completion, our Group may be exposed to fluctuations in the market demand for such property development projects. Market demand may be adversely affected due to, *inter alia*, economic, political, social, regulatory or diplomatic developments in or affecting the property sector generally.

In cases where we continue to hold unsold property for sale post-completion, such property may be relatively illiquid, which will limit our ability to realise cash from unsold units on short notice. Such illiquidity may also have a negative effect on the prices of unsold units in the event that we are required to sell the unsold properties urgently, and limits our ability to vary our portfolio of

RISK FACTORS

property held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. In such an event, our cash flow and financial performance will be adversely affected.

We may be subject in the future to risks in relation to interest rate movements

Save for a 10-year term loan of approximately S\$2.12 million which we have obtained from DBS Bank Ltd. for the purpose of partially financing the purchase of the New Office and which we intend to utilise a portion of the gross proceeds raised from the Placement to repay the amount drawn down and owing to DBS Bank Ltd., we do not have any external financing and have no debts. However, if we undertake debt financing in the future, we may face risks in relation to interest rate movements in particular as a result of the debts undertaken by us to finance our property developments.

Changes in interest rates will affect our interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. This could in turn have a material and adverse effect on our financial performance. Furthermore, an increase in interest rates would also adversely affect the willingness and ability of prospective customers to purchase our properties and our ability to raise and service long-term debt.

GENERAL RISKS AND RISKS RELATING TO OUR OVERSEAS OPERATIONS

We may be affected by any changes in the general economic, regulatory, political and social conditions and developments globally and in Singapore

Our business may be materially and adversely affected by local and global developments in relation to inflation, price of raw materials, bank interest rates, government policies and regulations and other conditions which may impact economic, regulatory, political and social stability globally and in Singapore. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and adversely affect our business operations.

Our business is particularly susceptible to the general economic conditions in Singapore. Factors such as GDP growth, disposable income and unemployment rates, will affect the demand for construction activities which may indirectly affect our business operations.

Given the uncertainties of the future economic outlook, there is no assurance that we will be able to maintain or continue the rapid growth of our business, or that we will be able to react promptly to any change in economic conditions. In the event that we fail to react promptly to the changing economic conditions, our performance and profitability could be adversely affected. There is also no assurance that the factors which have contributed to the success of our Group during the past few years will continue to occur in the future. Our business performance, future plans and operations may be adversely affected if these conditions deteriorate in the future.

Interpretation of PRC laws and regulations involves uncertainty, further, changes in tax laws, regulations, policies, concessions and treatment may materially and adversely affect our financial condition and results of operations

Our operations in the PRC are subject to the laws and regulations promulgated by the PRC government. The PRC legal system is a codified legal system made up of the PRC constitution, written laws, regulations, circulars, directives and other government orders. The PRC government

RISK FACTORS

is still in the process of developing its legal system so as to meet the needs of investors and to encourage foreign investment. Generally, the PRC economy is developing at a faster pace than its legal system.

Therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application.

In particular, unlike common law jurisdictions like Singapore, decided cases do not form part of the legal structure of the PRC and thus have no binding effect. The administration of the PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction.

Furthermore, in line with its transformation from a centrally planned economy to a free market-oriented economy, the PRC government is still in the process of developing a comprehensive set of laws and regulations. As the legal system in the PRC is still evolving, laws and regulations or the interpretation of the same may be subject to change.

Currently, we are taxed in compliance with relevant PRC laws and regulations. If there is a change in the tax laws, regulations, policies, concessions and treatment (including any retrospective change of the basis or to the agreement reached with the local government as aforesaid), our taxation expenses may be affected adversely, resulting in a material and adverse effect on our financial condition and financial performance.

There is a lack of readily available, reliable and updated information on property market conditions in the PRC generally

We are subject to property market conditions in the PRC generally and in particular, municipal cities and provinces where our projects may be located. Currently, reliable and up-to-date information is generally not readily available in the PRC and in the relevant municipal cities and provinces on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, our investment and business decisions may not, currently or in the future, be based on accurate, complete and timely information. Inaccurate information may adversely affect our business decisions, which could materially and adversely affect our business and financial condition.

We may be affected by terrorist attacks, natural disasters, outbreaks of communicable diseases and other events beyond our control

Terrorist attacks such as those that occurred in the United States and Indonesia, natural disasters and other events beyond our control in the markets in which we operate may lead to uncertainty in the economic outlook of these markets leading to an economic downturn. This will in turn have an adverse impact on the construction industry and our business. In addition, although such acts have not in the past targeted our assets or those of our customers, there can be no assurance that they will not do so in the future. Our current insurance policies do not cover terrorist attacks. The consequences of any such terrorist attacks, natural disasters or other events beyond our control are unpredictable, and we are not able to foresee events of such nature, which could cause interruptions to parts of our businesses and have an adverse effect on our business operations and financial position.

RISK FACTORS

An outbreak of SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, if uncontrolled, could affect our operations, as well as the operations of our customers and sub-contractors. Any occurrence of a pandemic, an epidemic or outbreak of other disease may have an adverse effect on our business operations including our ability to travel and deploy personnel for projects. Further, in the event that any of our employees is infected or suspected to be infected with SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, we may be required to quarantine some of our employees and shut down part of our operations to prevent the spread of the disease. This would result in delays in the completion of our projects. Failure to meet our customers' expectations could damage our reputation, and may, as a result, lead to loss of business and affect our ability to attract new business. An outbreak of SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases could therefore have an adverse impact on our business and operations.

We operate in countries or may expand into other countries where we would be subject to local legal and regulatory conditions and may be affected by the political, economic and social conditions in these countries

We have a business presence or carry out operations in Malaysia and the PRC. Changes in the social, political and economic conditions in the PRC could affect our business. The PRC government has exercised and continues to exercise significant influence over the PRC economy in general, which, *inter alia*, affects the property sector in the PRC. Any changes in the social, political and economic policies of the PRC government may lead to changes in the laws and regulations or the interpretation of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may in turn adversely affect our business and financial performance. Although we believe these reforms will have a positive effect on our overall and long-term development, we cannot predict whether changes in PRC's social, political and economic conditions, laws, regulations and policies will have any adverse effect on our current or future business, financial performance or financial condition.

From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the property markets that we operate in. Any action by the PRC government concerning the economy or the property sector in particular could have a material adverse effect on our financial condition and financial performance.

Changes in national and regional economic conditions, as well as local economic conditions, may result in more caution on the part of property purchasers and consequently may result in fewer property purchases. These economic uncertainties involve, *inter alia*, conditions of supply and demand in local markets and changes in consumer confidence and income, employment levels, and government regulations. These risks and uncertainties could periodically have an adverse effect on consumer demand for and the pricing of our properties, which could cause our revenue to decline. In addition, property developers are subject to various risks, many of them outside the control of the property developers including competitive overbuilding, availability and cost of land, materials and labour, adverse weather conditions which can cause delays in construction schedules, cost overruns, changes in government regulations, and increases in property taxes and other local government fees. A reduction in our revenues could, in turn, negatively affect the market price of our Shares.

We are subject to the applicable laws, regulations and guidelines in the countries and jurisdictions in which we have a business presence or carry out operations, particularly in relation to entry and employment requirements and restrictions in respect of our employees and workers. If we fail to comply with such laws, regulations and guidelines, we may be subject to penalties for such

RISK FACTORS

breaches, including fines or restrictions on our ability to carry on business or operate in such countries or jurisdictions. In addition, the relevant employees in breach of such laws, regulations and/or guidelines may also be subject to penalties such as fines, imprisonment or deportation.

We may also expand into other countries in which we presently do not have a business presence. Our business and operations are subject to the legal and regulatory framework in these countries. Laws and regulations governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities and by the courts. Our business, financial condition, profitability and results of operations may be adversely affected by changes in and uncertainty surrounding governmental policies, in particular with respect to business laws and regulations, licences and permits, taxation, inflation, interest rates, currency fluctuations, price and wage controls, exchange control regulations, labour laws and expropriation. Any changes in economic, political, legal and regulatory conditions or policies in these countries could adversely affect the results of our operations and in turn, the market price of our Shares.

We are exposed to foreign exchange risks

As our reporting currency is in S\$, the financial statements of our foreign subsidiaries will need to be translated to S\$ for consolidation purposes. As such, any material fluctuations in foreign exchange rates will result in translation gains or losses on consolidation. Any such translation gains or losses will be recorded as translation reserves or deficits as part of our Shareholders' equity. More information about our foreign exchange exposure is set out in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Foreign Exchange Management" in this Offer Document.

Foreign exchange controls may limit our ability to utilise our cash effectively and affect our ability to receive dividends and other payments from our foreign subsidiaries

We have a business presence or carry out operations in Malaysia and the PRC. Save for FY2010 in which we do not have business presence or carry out operations overseas, our foreign subsidiaries accounted in aggregate for approximately 1.3%, 0.6% and 0.1% of our Group's total revenue in FY2011, FY2012 and HY2013 respectively. Our foreign subsidiaries are subject to the rules and regulations on currency conversion in the countries they operate in. Please refer to the section entitled "Exchange Controls" in this Offer Document for more details on the foreign exchange controls applicable to our foreign subsidiaries. The ability of our foreign subsidiaries to pay dividends or make other distributions to us may be restricted by foreign exchange control restrictions. We also cannot assure you that the relevant regulations will not be amended to the disadvantage of our Group or Shareholders and that the ability of our foreign subsidiaries to distribute dividends and other payments to us will not be adversely affected as a result.

We may not be able to successfully implement our future plans

We plan to expand our Group in accordance with our future plans as set out in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document. These future plans will require substantial capital expenditure and financial resources and will involve numerous risks, including but not limited to, the incurrence of working capital requirements and exposure of our business to unforeseen liabilities and risks associated with entering new markets or new businesses which we have no experience in. There is no assurance that these plans will generate revenue commensurate with our investment costs. If we fail to generate a sufficient level of revenue or if we fail to manage our costs efficiently, we will not be able to recover our investment and our future financial performance and financial position may be adversely affected.

RISK FACTORS

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Investment in shares quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Mainboard of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Mainboard of the SGX-ST. Catalist was formed in December 2007 and the future success and liquidity in the market of our Shares cannot be guaranteed.

There is no prior market for our Shares and the Placement may not result in an active or liquid market for our Shares

Prior to the Listing, there has been no public market for our Shares. Although we have applied to the SGX-ST for the dealing and quotation of our Shares on Catalist, there is no assurance that an active trading market for our Shares will develop or, if developed, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Placement Price.

The Placement Price was determined after consultation between our Company and the Manager, Sponsor and Placement Agent after taking into consideration, *inter alia*, market conditions and estimated market demand for our Shares. The Placement Price may not be indicative of the market price for our Shares after the completion of the Placement. Investors may not be able to sell their Shares at or above the Placement Price. The volatility in the trading price of our Shares may be caused by factors beyond our control and may be unrelated or disproportionate to our financial results.

Our share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement

The market price of our Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond our control:

- Changes in general economic and stock market conditions;
- Changes in our operating results;
- Perceived prospects and future plans for our business and the general outlook of our industry;
- Changes in securities analysts' estimates of our financial performance and recommendations;
- Differences between our actual financial operating results and those expected by investors and securities analysts;
- Announcements by our competitors or ourselves of gain or loss of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- Our involvement in litigations; and
- Addition or loss of key personnel.

RISK FACTORS

Future sale or issuance of Shares could adversely affect our Share price

Any future sale, availability or issuance of a large number of our Shares in the public market can have downward pressure on our Share price. The sale of a significant amount of Shares in the market after the Placement, or the perception that such sales may occur could materially and adversely affect the market price of our Shares. These factors could also affect our ability to issue additional equity securities in future. Save as otherwise described in the section entitled “Shareholders – Moratorium” of this Offer Document, there are no restrictions on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise.

Negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Negative publicity or announcement relating to any of our Directors, Executives Officers or Substantial Shareholders may adversely affect the market perception or the share performance of our Company, whether or not it is justified. Some examples of these include unsuccessful attempts at joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

We may require additional funding for our growth plans, and such funding may result in a dilution of Shareholders’ investments

We have estimated our funding requirements in order to implement our growth plans as set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

In the event that the costs of implementing such plans should exceed these estimates significantly or that we come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders’ consent for payment of dividends, or restrict our freedom to operate our business by requiring lenders’ consent for certain corporate actions. Further, in the event that we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares to new and/or existing shareholders after the Placement, they may be priced at a discount to the then prevailing market price of our Shares trading on the SGX-ST, or if any Shareholder is unable or unwilling to participate in such additional round of fund raising, in which case, their Shareholders’ equity interest may be diluted. If we fail to utilise the new equity to generate a commensurate increase in earnings, our earnings per Share will be diluted, and this could cause a decline in our Share price.

Investors in our Shares would face immediate and substantial dilution in the NTA per Share and may experience future dilution

The Placement Price of our Placement Shares is substantially higher than our Group’s NTA per Share of 6.88 cents based on the post-Placement share capital and after adjusting for the estimated net proceeds from the issue of the Placement Shares. If we were liquidated immediately

RISK FACTORS

following this Placement, each investor subscribing to this Placement would receive less than the price they paid for their Shares. Please refer to the section entitled “Dilution” of this Offer Document for more information.

In addition, we may issue Option Shares under our Figtree Employee Share Option Scheme. To the extent that such Option Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the sections entitled “The Figtree Employee Share Option Scheme” and “Appendix E – Rules of the Figtree Employee Share Option Scheme” of this Offer Document for more information.

Control by our Shareholders of our enlarged share capital after the Placement may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

After the completion of the Placement, our Substantial Shareholders, Danny Siaw, Tan Chew Joo, Fung Tze Ping, Teoh Hoon Song, Robert Oei and Singapore Enterprises will hold in aggregate direct interest of approximately 76.3% of our post-Placement share capital. As a result, these Substantial Shareholders will be able to significantly influence our corporate actions such as mergers or takeover attempts in a manner which may not be in line with the interests of our public Shareholders. They will also have veto power in relation to any shareholder action or approval requiring a majority vote except in situations where they are required by the rules of the Listing Manual, the SGX-ST or undertakings given by them (as detailed in the section entitled “Interested Person Transactions” of this Offer Document) to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group which may not benefit our Shareholders.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to implement our future plans, and on regulatory, competitive, technical and other factors, general economic conditions, demand for and selling prices of our services and other factors exclusive to the design and build industry. Any of these factors could have a material adverse effect on our business, financial condition and results of operations, and hence there is no assurance that we will be able to pay dividends to our Shareholders after the completion of the Placement.

Further, in the event that we are required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends we can declare and pay out.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where we elect to conduct a rights issue. If we offer to our Shareholders rights to subscribe for additional Shares or any rights of any other nature or other equity issues, we will have the discretion and be subject to the relevant laws, rules and regulations as to the procedures to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. We may choose not to offer the rights or other equity issues to our Shareholders or investors having an address outside Singapore, hence overseas Shareholders or investors may be unable to participate in future offerings of our Shares and may experience dilution of their interests in our Company.

PLACEMENT STATISTICS

PLACEMENT PRICE	22.00 cents
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NTA

NTA per Share based on the unaudited consolidated balance sheet of our Group as at 30 June 2013 (the “NTA”):

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds from the issue of Placement Shares and based on the pre-Placement share capital of 223,000,000 Shares | 4.10 cents |
| (b) after adjusting for the estimated net proceeds from the issue of Placement Shares and based on the post-Placement share capital of 277,546,000 Shares | 6.88 cents |

Premium of Placement Price over the NTA per Share as at 30 June 2013:

- | | |
|---|---------|
| (a) before adjusting for the estimated net proceeds from the issue of Placement Shares and based on the pre-Placement share capital of 223,000,000 Shares | 436.59% |
| (b) after adjusting for the estimated net proceeds from the issue of Placement Shares and based on the post-Placement share capital of 277,546,000 Shares | 219.77% |

EPS⁽¹⁾

Audited net EPS of our Group for FY2012 based on our Company’s pre-Placement share capital of 223,000,000 Shares	1.71 cents
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Audited net EPS of our Group for FY2012 had the Service Agreements been in effect from the beginning of FY2012 and based on our Company’s pre-Placement share capital of 223,000,000 Shares	1.80 cents
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PRICE EARNINGS RATIO

Audited price earnings ratio based on the Placement Price and the audited net EPS of our Group for FY2012	12.87 times
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Audited price earnings ratio based on the Placement Price and the audited net EPS of our Group for FY2012 had the Service Agreements been in effect from the beginning of FY2012	12.22 times
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NET OPERATING CASH FLOW⁽²⁾

Audited net operating cash flow per Share of our Group for FY2012 based on the pre-Placement share capital of 223,000,000 Shares	2.06 cents
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Audited net operating cash flow per Share of our Group for FY2012 had the Service Agreements been in effect from the beginning of FY2012 and based on the pre-Placement share capital of 223,000,000 Shares	2.16 cents
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PLACEMENT STATISTICS

PRICE TO NET OPERATING CASH FLOW RATIO

Ratio of Placement Price to audited net operating cash flow per Share of our Group for FY2012 based on the pre-Placement share capital of 223,000,000 Shares 10.68 times

Ratio of Placement Price to audited net operating cash flow per Share of our Group for FY2012 had the Service Agreements been in effect from the beginning of FY2012 and based on the pre-Placement share capital of 223,000,000 Shares 10.19 times

MARKET CAPITALISATION

Market capitalisation based on the Placement Price and post-Placement share capital of 277,546,000 Shares S\$61.06 million

Notes:

- (1) EPS is calculated based on the audited profit attributable to equity holders of our Company and the pre-Placement share capital of 223,000,000 Shares.
- (2) Net operating cash flow refers to net cash flow generated from operating activities.

USE OF PROCEEDS AND LISTING EXPENSES

The net proceeds to be raised from the Placement, after deducting the estimated cash expenses in relation to the Placement of approximately S\$2.06 million will be approximately S\$9.94 million.

The following table sets out the breakdown of the use of proceeds to be raised by our Company:

Purpose	Amount in Aggregate (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (as a % of the gross proceeds)
Undertake property development projects	5,000	41.67%
Expansion of our operations in existing markets and into new markets	600	5.00%
Financing the purchase of the New Office	354	2.95%
Repayment of bank borrowings for the purchase of the New Office	1,764	14.70%
General working capital	2,221	18.51%
Total	9,939	82.83%

To partially finance the purchase of the New Office, we had obtained a 10-year term loan of approximately S\$2.12 million from DBS Bank Ltd. (“**DBS Loan**”), which has an interest rate of 1.48% per annum for the first year. As at the Latest Practicable Date, we have drawn down approximately S\$1.76 million of the DBS Loan. We intend to utilise approximately S\$1.76 million representing approximately 14.7% of the gross proceeds from the Placement to repay the amount owing to DBS Bank Ltd.. Further details of our use of proceeds may be found in the sections entitled “General Information on our Group – Properties and Fixed Assets” and “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

The foregoing discussion represents our Company’s best estimate of its allocation of the net proceeds of the Placement based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that our Company decides to reallocate such net proceeds for other purposes, our Company will publicly announce its intention to do so through an SGXNET announcement on the internet at the SGX-ST website, <http://www.sgx.com>. In addition, our Company will make periodic announcements on the use of the proceeds from the Placement as and when the proceeds from the Placement are materially disbursed, and provide a status report on the use of the proceeds from the Placement in our annual reports.

Pending the deployment of the net proceeds from the issue of Placement Shares as aforesaid, the funds will be placed in short-term deposits or money making instruments as our Directors may, in their absolute discretion, deem fit.

USE OF PROCEEDS AND LISTING EXPENSES

In the reasonable opinion of our Directors, there is no minimum amount which must be raised by the Placement.

Listing Expenses

The estimated amount of expenses of the Placement and of the application for Listing, including the placement commission, management fees, legal and audit fees, fees payable to the SGX-ST and all other incidental expenses in relation to the Placement is approximately S\$2.06 million.

A breakdown of these expenses to be borne by our Company in relation to the Placement is as follows:

Expenses borne by our Company	Estimated Amount (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the Placement (as a % of the gross proceeds)
Listing and application fees	34	0.28%
Professional fees	1,538	12.82%
Placement commission ⁽¹⁾	385	3.21%
Miscellaneous expenses	104	0.86%
Total	2,061	17.17%

Note:

- (1) The amount of placement commission per Placement Share, agreed upon between the Placement Agent and our Company is 3.0% of the Placement Price payable for each Placement Share. Please refer to the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document for more details.

DIVIDEND POLICY

Our Company was incorporated on 5 June 2013 and has not distributed any dividend on our Shares since incorporation. Save as disclosed below, none of our subsidiaries has declared or paid any dividends in respect of each of the last three financial years ended 31 December 2010, 2011 and 2012 and the period from 1 January 2013 to the Latest Practicable Date:

	Net dividends paid in respect of (S\$'000)						1 January 2013 to the Latest Practicable Date	
	FY2010		FY2011		FY2012		Total	Per share
	Total	Per share	Total	Per share	Total	Per share		
Figtree Projects	–	–	– ⁽¹⁾	–	1,500	1.50	–	–

Note:

- (1) On 23 March 2012, Figtree Projects capitalised S\$400,000 out of its profits and reserves and applied such sum to the issue and allotment of 400,000 new ordinary shares in the capital of Figtree Projects credited as fully paid-up to the then existing shareholders of Figtree Projects, namely, Danny Siaw, Robert Oei and Singapore Enterprises. Please refer to the section entitled “Share Capital” of this Offer Document for more details on this bonus issue.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financing condition; and
- (e) restrictions on payment of dividends imposed on us by our financing arrangements (if any).

We may declare an annual dividend subject to the approval of our Shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders. Our Company may pay all dividends out of our profits or pursuant to Section 69 of the Companies Act which permits us to apply accumulated profits to pay dividends in the form of Shares. For information relating to taxes payable on dividends, please refer to the section entitled “Taxation” of this Offer Document.

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

SHARE CAPITAL

Our Company (Company Registration Number: 201315211G) was incorporated in Singapore on 5 June 2013 under the Companies Act as a private company limited by shares under the name of “Figtree Holdings Pte. Ltd.”. On 11 October 2013, our Company changed its name to “Figtree Holdings Limited” in connection with its conversion into a public company limited by shares.

As at the date of incorporation, our issued and paid-up share capital was S\$2.00, comprising two ordinary shares.

Pursuant to the completion of the Restructuring Exercise, the issued and paid-up share capital of our Company was increased to S\$9,152,597 comprising 1,000,000 Shares.

Pursuant to the extraordinary general meeting held on 8 October 2013, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public limited company and the consequential change of our name to “Figtree Holdings Limited”;
- (b) the sub-division of each ordinary share in the existing issued share capital of our Company into 223 ordinary Shares;
- (c) the adoption of a new set of Articles of Association;
- (d) the allotment and issue of the Placement Shares which are the subject of the Placement which when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing issued Shares;
- (e) the listing and quotation of all the issued Shares (including the Placement Shares to be allotted and issued pursuant to the Placement) and the Option Shares to be issued (if any) on Catalist;
- (f) authorisation for our Directors, pursuant to Section 161 of the Companies Act and the Listing Manual to (i) issue Shares whether by way of rights, bonus or otherwise; (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:
 - (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below);

SHARE CAPITAL

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of our Company (excluding treasury shares) immediately after the Placement, after adjusting for: (aa) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; (bb) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority; and (cc) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising such authority, our Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company;
- (4) unless revoked or varied by our Company in a general meeting, such authority shall continue in force until (aa) the conclusion of the next annual general meeting of our Company or (bb) the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier; and
- (g) the adoption of the Figtree Employee Share Option Scheme, details of which are set in the section entitled “The Figtree Employee Share Option Scheme” of this Offer Document, and also at “Appendix E – Rules of the Figtree Employee Share Option Scheme” of this Offer Document.

As at the date of this Offer Document, there is only one class of shares in the capital of our Company, being the Shares. A summary of the Articles of Association of our Company relating to, among others, the voting rights and privileges of our Shareholders is set out in Appendix D entitled “Selected Extracts of our Articles of Association” of this Offer Document.

There are no founders, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing issued Shares that were issued prior to this Placement and there are no restrictions to the free transferability of our Shares.

Save for the Figtree Employee Share Option Scheme, no person has, or has the right to be given, an option to subscribe for or purchase any securities of our Company or any of our subsidiaries or associated company. No option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$9,152,597 comprising 223,000,000 Shares. Upon the allotment and issue of Placement Shares, the resultant issued and paid-up share capital of our Company will be increased to S\$20,573,362 comprising 277,546,000 Shares.

SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since the date of incorporation and immediately after the Placement are set out below:

	Number of Issued Shares	Issued and paid-up share capital (S\$)
Issued and fully paid Shares at incorporation	2	2
Issue of 999,998 new Shares pursuant to the Restructuring Exercise	999,998	9,152,595
Post-Restructuring Exercise issued and paid-up share capital	1,000,000	9,152,597
Share Split	223,000,000	9,152,597
Pre-Placement issued and paid-up share capital	223,000,000	9,152,597
Placement Shares issued pursuant to the Placement	54,546,000	11,420,765 ⁽¹⁾
Post-Placement issued and paid-up share capital	277,546,000	20,573,362

Note:

(1) Takes into account the capitalisation of listing expenses of approximately S\$0.58 million.

The issued share capital and the shareholders' equity of our Company after adjustments to reflect the Restructuring Exercise, the Share Split, and the issue and allotment of the Placement Shares pursuant to the Placement are set forth below. This should be read in conjunction with the Independent Auditor's Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012 and the Independent Auditor's Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013.

	As at Incorporation	After the Restructuring Exercise and the Share Split	After the Placement
Issued and fully paid-up Shares (number of Shares)	2	223,000,000	277,546,000
Issued and fully paid-up share capital (S\$)	2	9,152,597	20,573,362
Accumulated profit (S\$)	—	9,557,146 ⁽¹⁾	7,620,146 ⁽²⁾
Merger reserve (S\$)	—	(8,152,597)	(8,152,597)
Translation reserve (S\$)	—	5,117	5,117
Non-controlling interests (S\$)	—	23,161	23,161
Total shareholders' equity (S\$)	2	10,585,424	20,069,189

Notes:

(1) Based on the management accounts of our Group as at 31 August 2013.

(2) Includes the estimated listing expenses of approximately S\$1.48 million.

SHARE CAPITAL

Save as disclosed above, there have been no other changes in the share capital of our Company since the date of its incorporation on 5 June 2013.

Save as set out in this section and in the section entitled “Restructuring Exercise” of this Offer Document, there were no changes in the issued and paid-up share capital or changes to the registered share capital of our Company, our subsidiaries and associated company within the three years preceding the Latest Practicable Date:

Date	Number of Shares Issued/Registered Capital Contributed	Subscription Price Per Share	Purpose of Issue or Investment	Resultant Paid-Up Share Capital/ Registered Capital
<u>Figtree Projects</u>				
11 August 2010	60,000 shares	S\$1	Capital increase	S\$340,000
24 December 2010	60,000 shares	S\$1	Capital increase	S\$400,000
24 February 2011	200,000 shares	S\$1	Capital increase	S\$600,000
23 March 2012	400,000 shares	S\$1	Bonus issue	S\$1,000,000
<u>Figtree Shanghai</u>				
31 March 2011	RMB375,000	NA	Registered capital contribution	RMB375,000
2 April 2011	RMB125,000	NA	Registered capital contribution	RMB500,000
<u>Figtree Malaysia</u>				
19 November 2010	2 shares	MYR1	Subscriber shares	MYR2
<u>Figtree Developments</u>				
5 June 2013	2 shares	S\$1	Subscriber shares	S\$2
<u>Vibrant Properties</u>				
29 July 2013	2 shares	S\$1	Subscriber shares	S\$2
28 August 2013	9,998 shares	S\$1	Capital increase	S\$10,000

Save as disclosed in this section, no share in or debenture of our Company, our subsidiaries or our associated company have been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, since the date of incorporation of our Company and our subsidiaries and associated company and up to the date of lodgement of this Offer Document.

SHAREHOLDERS

SHAREHOLDING AND OWNERSHIP STRUCTURE

The Directors and Substantial Shareholders of our Company and their respective shareholdings immediately before and after the Placement are summarised below:

	Before the Placement				After the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Danny Siaw ⁽¹⁾	63,424,059	28.4	–	–	63,424,059	22.9	230,000	0.1
Tan Chew Joo ⁽²⁾	26,016,741	11.7	11,150,000	5.0	26,016,741	9.4	11,150,000	4.0
Lee Kim Huat	–	–	–	–	–	–	–	–
Lee Choong Hiong	–	–	–	–	–	–	–	–
Pong Chen Yih	–	–	–	–	–	–	–	–
Controlling Shareholder								
Singapore Enterprises ⁽³⁾	55,509,200	24.9	–	–	55,509,200	20.0	–	–
Substantial Shareholders								
Robert Oei	22,300,000	10.0	–	–	22,300,000	8.0	–	–
Fung Tze Ping	22,300,000	10.0	–	–	22,300,000	8.0	–	–
Teoh Hoon Song	22,300,000	10.0	–	–	22,300,000	8.0	–	–
Other Shareholders								
Tay Guek Nah ⁽¹⁾	–	–	–	–	230,000	0.1	–	–
Eileen Tan ⁽²⁾	11,150,000	5.0	–	–	11,150,000	4.0	–	–
Public	–	–	–	–	54,316,000	19.6	–	–
Total	223,000,000	100.0	–	–	277,546,000	100.0	–	–

Notes:

- (1) As at the date of this Offer Document, Tay Guek Nah, the spouse of our Executive Chairman and Managing Director, Danny Siaw, has indicated her interest to subscribe for 230,000 Placement Shares, representing approximately 0.1% of our post-Placement share capital. In the event that Tay Guek Nah is allotted such number of Placement Shares, Danny Siaw will be deemed interested in the Shares held by Tay Guek Nah.
- (2) Tan Chew Joo is the father of Eileen Tan. Accordingly, Tan Chew Joo is deemed interested in the Shares held by Eileen Tan.
- (3) Singapore Enterprises is wholly owned by Freight Links, a company listed on the Mainboard of the SGX-ST.

Save as disclosed above, there are no relationships among our Directors, Substantial Shareholders and Executive Officers.

As at the Latest Practicable Date, our Company has only one class of shares, being our Shares which are in registered form. The Shares held by our Directors and Substantial Shareholders do not carry voting rights that are different from the Placement Shares.

SHAREHOLDERS

Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company. There has been no public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether jointly or severally by any other corporation, government or person.

Save as disclosed above and in the sections entitled “Restructuring Exercise” and “Share Capital” of this Offer Document, no shares or debentures were issued or agreed to be issued by our Company for cash or for a consideration other than cash since the date of incorporation of our Company and up to the date of lodgement of this Offer Document.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and in the sections entitled “Restructuring Exercise”, “Share Capital” and “Dilution” of this Offer Document, there were no significant changes in the percentage of ownership of Shares in our Company between the date of incorporation of our Company and the Latest Practicable Date.

MORATORIUM

As a demonstration of their commitment to our Company, our pre-Placement Shareholders, namely Danny Siaw, Tan Chew Joo, Robert Oei, Teoh Hoon Song, Fung Tze Ping, Eileen Tan and Singapore Enterprises, who hold an aggregate of 223,000,000 Shares (representing approximately 80.3% of our Company’s post-Placement share capital), have undertaken to the Manager and Sponsor not to, amongst others, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their respective shareholdings in our Company immediately after the Placement for a period of six months commencing from our Company’s date of admission to Catalist, and for a period of six months thereafter not to sell, transfer, assign, dispose of, realise or enter into any agreement that directly or indirectly constitute or will be deemed as a disposal of any part of their respective shareholding interests in our Company to below 50.0% of their original shareholdings in our Company (“**Promoter Moratorium**”).

Freight Links, who holds the entire issued and paid-up capital of Singapore Enterprises, has undertaken to the Manager and Sponsor not to, amongst others, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their shareholdings in Singapore Enterprises immediately after the Placement for a period of 12 months commencing from our Company’s date of admission to Catalist.

As at the date of this Offer Document, Tay Guek Nah, the spouse of our Controlling Shareholder, Danny Siaw, has indicated her interest to subscribe for 230,000 Placement Shares, representing approximately 0.1% of our Company’s post-Placement share capital. Tay Guek Nah has undertaken to the Manager and Sponsor to subject any such Placement Shares allotted to her to the Promoter Moratorium.

DILUTION

Dilution is the amount by which the Placement Price paid by the subscribers of our Shares in this Placement exceeds our NTA per Share of our Group immediately after the Placement. Our NTA per Share as at 30 June 2013 before adjusting for the estimated net proceeds due to our Company from the Placement and based on the pre-Placement issued and paid-up share capital of 223,000,000 Shares was 4.10 cents per Share.

Pursuant to the Placement in respect of 54,546,000 Placement Shares at the Placement Price, our NTA per Share as at 30 June 2013 after adjusting for the estimated net proceeds due to our Company from the Placement and based on the post-Placement issued and paid-up share capital of 277,546,000 Shares would have been 6.88 cents. This represents an immediate increase in NTA per Share of 2.78 cents to our existing Shareholders and an immediate dilution in NTA per Share of 15.12 cents or approximately 68.73% to our new public investors.

The following table illustrates the dilution per Share as at 30 June 2013:

	Cents
Placement Price for each Share	22.00
NTA per Share based on the pre-Placement share capital of 223,000,000 Shares	4.10
Increase in NTA per Share attributable to existing Shareholders	2.78
NTA per Share after the Placement	6.88
Dilution in NTA per Share to new public investors	15.12
Dilution in NTA per Share to new public investors (%)	68.73

The following table summarises the total number of Shares acquired by and/or issued to our existing Shareholders from the date of the incorporation of our Company to the date of lodgement of this Offer Document, the total consideration paid by them and the average effective cash cost per Share to them and to the new public investors who subscribe for the Placement Shares pursuant to the Placement:

	Number of Shares	Total consideration (S\$)	Average effective cash cost per Share (cents)
Existing Shareholders			
Danny Siaw ⁽¹⁾	63,424,059	2,603,116	4.10
Tan Chew Joo	26,016,741	1,067,806	4.10
Singapore Enterprises ⁽¹⁾	55,509,200	4,366,833	7.87
Eileen Tan	11,150,000	457,630	4.10
Robert Oei	22,300,000	915,260	4.10
Fung Tze Ping	22,300,000	915,260	4.10
Teoh Hoon Song	22,300,000	915,260	4.10
New Shareholders			
Tay Guek Nah ⁽²⁾	230,000	50,600	22.00
New public investors	54,316,000	11,949,520	22.00

Notes:

- (1) Pursuant to a sale and purchase agreement dated 9 October 2013 between Danny Siaw and Singapore Enterprises, Danny Siaw sold 13,139,200 Shares, amounting to approximately 4.73% of our post-Placement share capital to Singapore Enterprises at S\$0.20 per Share.
- (2) As at the date of this Offer Document, Tay Guek Nah, the spouse of our Executive Chairman and Managing Director, Danny Siaw, has indicated her interest to subscribe for 230,000 Placement Shares, representing approximately 0.1% of our post-Placement share capital.

RESTRUCTURING EXERCISE

Our Group was formed through the Restructuring Exercise. The rationale for the Restructuring Exercise was to streamline the corporate structure and business activities of our Group for the purposes of the Placement. Pursuant to the Restructuring Exercise, our Company became the holding company of our Group. The Restructuring Exercise involved the following:

(a) Incorporation of our Company

Our Company was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2.00 comprising two Shares of which Danny Siaw and Tan Chew Joo each held one Share.

(b) Incorporation of Figtree Developments

Our subsidiary, Figtree Developments, was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2.00 comprising two shares held by our Company.

(c) Acquisition of 20% of Vibrant Properties

On 28 August 2013, our subsidiary, Figtree Developments, subscribed for 2,000 shares in the capital of Vibrant Properties at an issue price of S\$1.00 per share, thereby acquiring 20% interest in the issued and paid-up share capital of Vibrant Properties.

(d) Acquisition of Figtree Projects

Pursuant to a share swap agreement dated 8 October 2013 entered into between our Company, Danny Siaw, Robert Oei, Singapore Enterprises, Eileen Tan, Fung Tze Ping and Teoh Hoon Song, our Company acquired from Danny Siaw, Robert Oei and Singapore Enterprises the entire issued and paid-up share capital of Figtree Projects held by them, comprising an aggregate of 1,000,000 ordinary shares for a total consideration of S\$9,152,595 based on the unaudited NTA of Figtree Projects and its subsidiaries as at 30 June 2013. The purchase consideration was satisfied by the issue and allotment of an aggregate of 999,998 Shares in the capital of our Company ("**Consideration Shares**"), credited as fully paid-up and was arrived at on a willing buyer willing seller basis. The Consideration Shares were issued and allotted to Danny Siaw, Robert Oei, Singapore Enterprises, Eileen Tan, Fung Tze Ping and Teoh Hoon Song in accordance with their percentage of beneficial interest in Figtree Projects immediately prior to the acquisition⁽¹⁾. In addition, under the share swap agreement, Eileen Tan had instructed the Company to issue and allot 116,666 of her Consideration Shares to her father, Tan Chew Joo.

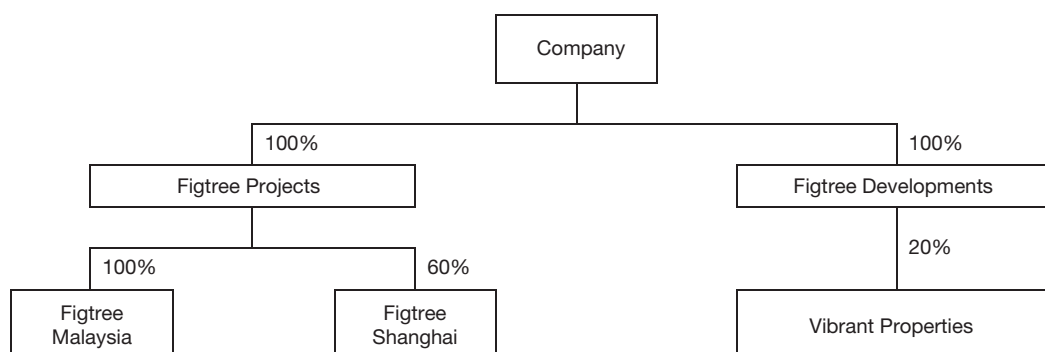
Note:

- (1) Prior to the acquisition, 710,000 shares in the capital of Figtree Projects were held in the name of Danny Siaw, of which 166,667 shares were held on trust for Eileen Tan, 100,000 shares were held on trust for Fung Tze Ping and 100,000 shares were held on trust for Teoh Hoon Song.

Please refer to the section entitled "Group Structure" of this Offer Document for details of our Group structure upon completion of the Restructuring Exercise.

GROUP STRUCTURE

Our Group structure immediately after the Restructuring Exercise and as at the date of this Offer Document is as follows:



Our subsidiaries and associated company

The details of our subsidiaries and associated company are as follows:

Company	Date and Place of Incorporation	Principal Business Activities/ Principal Place of Business	% Ownership Interest held by our Company
<u>Our subsidiaries</u>			
Figtree Projects	18 July 2009 Singapore	General contractors (design and construction works including major upgrading works) and providers of general building engineering services/Singapore	100%
Figtree Developments	5 June 2013 Singapore	Real estate developers/ Singapore	100%
Figtree Malaysia	19 November 2010 Malaysia	Project management consultancy services and/or construction management consultancy services/Malaysia	100%
Figtree Shanghai	19 January 2011 PRC	Project management consulting services and/or construction management consulting services/PRC	60% ⁽¹⁾
<u>Our associated company</u>			
Vibrant Properties	29 July 2013 Singapore	Real estate activities with own or leased property and real estate developers/Singapore	20% ⁽²⁾

Notes:

- (1) Nylect Engineering and Tan Hock Seng hold 25% and 15% of the equity interest in Figtree Shanghai, respectively. Nylect Engineering is a wholly-owned subsidiary of Nylect International Pte Ltd, one of our sub-contractors for electrical works. Tan Hock Seng is a shareholder of Tech-Link, one of our major customers as well as our major sub-contractor.
- (2) The remaining 80% shareholdings in Vibrant Properties are held by Singapore Enterprises, which is one of our Controlling Shareholders.

Save as disclosed above, our Group does not have any subsidiaries or associated companies.

Our subsidiaries and associated company are not listed on any stock exchange.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following summary financial information should be read in conjunction with the full text of this Offer Document, including the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and the “Independent Auditor’s Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012” and the “Independent Auditor’s Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013” as set out in Appendix A and Appendix B respectively of this Offer Document.

A summary of the audited consolidated financial statements of our Group in respect of the financial years ended 31 December 2010, 2011 and 2012 and the unaudited interim consolidated financial statement of our Group in respect of the financial periods ended 30 June 2012 and 2013 is set out below:

OPERATING RESULTS OF OUR GROUP

	← Audited →			← Unaudited →	
(S\$'000)	FY2010	FY2011	FY2012	HY2012	HY2013
Revenue	160	16,361	59,914	35,091	49,883
Cost of sales	(122)	(14,628)	(54,176)	(31,518)	(41,885)
Gross profit	38	1,733	5,738	3,573	7,998
Other income	—	8	63	6	11
Administrative expenses	(283)	(816)	(1,335)	(637)	(1,130)
Finance costs	—	(7)	—	—	—
Profit/(loss) before taxation⁽¹⁾	(245)	918	4,466	2,942	6,879
Tax expense	—	(118)	(649)	(419)	(1,215)
Profit/(loss) for the year/period	(245)	800	3,817	2,523	5,664
Profit/(loss) attributable to:					
Equity holders of the Company	(245)	781	3,811	2,496	5,704
Non-controlling interests	—	19	6	27	(40)
	(245)	800	3,817	2,523	5,664

SELECTED CONSOLIDATED FINANCIAL INFORMATION

(S\$'000)	← Audited →	← Unaudited →			
	FY2010	FY2011	FY2012	HY2012	HY2013
Profit/(loss) for the year/period	(245)	800	3,817	2,523	5,664
Other comprehensive income					
Net effect of exchange differences arising from translation of financial statements of foreign operations	–	–	–	1	6
Other comprehensive income for the year/period net of tax	–	–	–	1	6
Total comprehensive income for the year/period	(245)	800	3,817	2,524	5,670
Total comprehensive income attributable to:					
Equity holders of the Company ⁽¹⁾	(245)	781	3,811	2,497	5,710
Non-controlling interests	–	19	6	27	(40)
	(245)	800	3,817	2,524	5,670
EPS/(LPS) ⁽²⁾ (cents)	(0.11)	0.35	1.71	1.12	2.56
Adjusted EPS/(LPS) ⁽³⁾ (cents)	(0.09)	0.28	1.37	0.90	2.06

Notes:

- (1) Had the Service Agreements (as set out in the section entitled “Directors, Management and Staff – Service Agreements” of this Offer Document) been in effect since 1 January 2012, our audited consolidated profit before taxation, profit attributable to equity holders of the Company and adjusted EPS computed based on our post-Placement share capital of 277,546,000 Shares for FY2012 would have been approximately S\$4.72 million, S\$4.02 million and 1.45 cents respectively.
- (2) For comparative purposes, the EPS/(LPS) for the periods under review have been computed based on the profit/(loss) attributable to equity holders of the Company and our pre-Placement share capital of 223,000,000 Shares.
- (3) For comparative purposes, the adjusted EPS/(LPS) for the periods under review have been computed based on the profit/(loss) attributable to equity holders of the Company and our post-Placement share capital of 277,546,000 Shares.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

FINANCIAL POSITION OF OUR GROUP

(S\$'000)	Audited as at 31 December 2012	Unaudited as at 30 June 2013
Non-current assets		
Plant and equipment	143	171
	143	171
Current assets		
Advance payment to a sub-contractor	59	–
Gross amount due from customers for contract work-in-progress	–	551
Trade receivables	17,416	29,598
Other receivables	2,166	2,222
Prepayments	88	63
Cash and short term deposits	8,792	6,352
	28,521	38,786
Current liabilities		
Gross amount due to customers for contract work-in-progress	9,907	11,926
Trade and other payables	13,125	16,335
Provision for taxation	636	1,523
	23,668	29,784
Net current assets	4,853	9,002
Non-current liabilities		
Deferred tax liabilities	14	20
Net assets	4,982	9,153
Equity attributable to equity holders of the Company		
Share capital	1,000	1,000
Accumulated profits	3,917	8,121
Foreign currency translation reserve	–	7
	4,917	9,128
Non-controlling interests	65	25
Total equity	4,982	9,153
 NAV per Share ⁽¹⁾ (cents)	 2.23	 4.10

Note:

- (1) The NAV per Share is computed by dividing our NAV (which is net assets attributable to equity holders of our Company) by our pre-Placement share capital of 223,000,000 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following summary financial information should be read in conjunction with the full text of this Offer Document, including the section entitled "Selected Consolidated Financial Information" of this Offer Document and the "Independent Auditor's Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011, 2012" and "Independent Auditor's Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013" as set out in Appendix A and Appendix B respectively to this Offer Document.

OVERVIEW

Revenue

We are a group specialising in the design and building of commercial and industrial facilities. Our scope of services covers the full spectrum of the project development process including land search and authority liaison, feasibility studies, design and construction ("**Design and Build Services**").

Our revenue, which was approximately S\$0.16 million, S\$16.36 million, S\$59.91 million, S\$35.09 million and S\$49.88 million for FY2010, FY2011, FY2012, HY2012 and HY2013 respectively, is derived entirely from Design and Build Services.

We derive a majority of our revenue in Singapore, which is mainly denominated in S\$. Revenue from Design and Build Services is recognised by reference to the stage of completion of the contract activity at the end of the periods under review (the percentage of completion method), when the outcome of the construction contract can be measured reliably. The stage of completion is determined by reference to the proportion of contract costs incurred for work performed to date over the estimated total contract costs. Where the outcome cannot be measured reliably, contract revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from Design and Build Services comprises the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Our revenue is mainly dependent on the following factors:

- (a) our ability to secure projects and the size of the projects that we secure;
- (b) the duration of the contract activity;
- (c) variation orders arising from additional works which are not included in the original specifications of the contracts;
- (d) our ability to compete effectively with our competitors;
- (e) changes in government legislations which affect the construction industry; and
- (f) the outlook of the design and build industry in Singapore, which is in turn dependent on the health of the local property market and the general economy.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

Cost of sales

Our Group's cost of sales comprised mainly contract costs which are recognised in the period in which they are incurred. Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Our contract costs relates mainly to cost of design, site supervisory costs, technical assistance and sub-contractor costs which includes labour costs, costs of materials and rental of equipment. Cost of sales, which were approximately S\$0.12 million, S\$14.63 million, S\$54.18 million, S\$31.52 million and S\$41.89 million in FY2010, FY2011, FY2012, HY2012 and HY2013 accounted for approximately 75.00%, 89.43%, 90.43%, 89.83% and 83.98% of our total revenue in FY2010, FY2011, FY2012, HY2012 and HY2013 respectively. Our cost of sales is indirectly dependent on the following factors:

- (a) changes in the price of raw materials such as steel, bricks, concrete and timber;
- (b) changes in labour costs;
- (c) changes in project progress schedules and consequential cost overruns in the event of project delays;
- (d) variation orders; and
- (e) changes in government regulations and requirements.

Gross profit and gross profit margin

Gross profit is determined after deducting cost of sales from our revenue. Hence, the determinants of gross profit are the revenue generated from Design and Build Services and the cost of sales.

Our gross profit margins were approximately 25.00%, 10.57%, 9.57%, 10.17% and 16.04% in FY2010, FY2011, FY2012, HY2012 and HY2013 respectively.

Other income

Other income comprised mainly (i) grants from the Singapore Government and BCA; (ii) interest income from fixed deposits; and (iii) other miscellaneous income. Other income was approximately S\$225, S\$0.01 million, S\$0.06 million, S\$0.01 million and S\$0.01 million, representing approximately 0.14%, 0.06%, 0.10%, 0.03% and 0.02% of our total revenue in FY2010, FY2011, FY2012, HY2012 and HY2013 respectively.

Administrative expenses

Administrative expenses comprised mainly (i) Directors' remuneration; (ii) salary and salary-related expenses of employees such as staff welfare and transport; (iii) rental of office premises; and (iv) depreciation of office equipment, computers, motor vehicles and furniture and fittings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Administrative expenses were approximately S\$0.28 million, S\$0.82 million, S\$1.34 million, S\$0.64 million and S\$1.13 million, accounting for approximately 175.00%, 5.01%, 2.24%, 1.82% and 2.27% of our total revenue in FY2010, FY2011, FY2012, HY2012 and HY2013 respectively.

Finance costs

Finance costs comprised interest expense incurred on loans from shareholders. There were no finance costs in FY2010, FY2012, HY2012 and HY2013. Finance costs was approximately S\$0.01 million and accounted for approximately 0.06% of our total revenue in FY2011.

Income tax expense

Save for FY2010 in which our Group incurred a loss and accordingly did not incur any tax, our overall effective tax rate was 13.04%, 14.54%, 14.29% and 17.59% for FY2011, FY2012, HY2012 and HY2013 respectively. The Singapore, PRC and Malaysia statutory corporate tax rates from FY2010 to HY2013 were 17.00%, 25.00% and 20.00% respectively. As we derived most of our revenue in Singapore, the income tax incurred in the PRC and Malaysia had minimal impact on our income tax expense. Our effective tax rates for FY2011, FY2012 and HY2012 were lower than the Singapore statutory corporate tax rates due mainly to productivity and innovation credit allowances, corporate income tax rebate and tax effects of Singapore statutory stepped income exemptions. Our effective tax rate for HY2013 was slightly higher than the Singapore statutory corporate tax rates due mainly to certain expenses which were not deductible for income tax purposes.

REVIEW OF RESULTS OF OPERATIONS

Breakdown of our past performance by business segment and geographical markets

For the periods under review, our Group is organised into one business segment, which is Design and Build Services. Accordingly, no breakdown of our past performance by business segment is presented. Our management will monitor the operating results of this business segment for the purpose of making decisions about resource allocation and performance assessment.

A breakdown of our revenue by geographical markets for the periods under review is set out below.

Revenue

	FY2010		FY2011		FY2012		HY2012		HY2013	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Singapore	160	100.0	16,154	98.7	59,564	99.4	34,789	99.1	49,830	99.9
PRC	–	–	169	1.0	226	0.4	177	0.5	53	0.1
Malaysia	–	–	38	0.3	124	0.2	125	0.4	–	–
Total	160	100.0	16,361	100.0	59,914	100.0	35,091	100.0	49,883	100.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF PAST PERFORMANCE

FY2011 compared with FY2010

Revenue

Our total revenue increased by approximately S\$16.20 million from S\$0.16 million in FY2010 to S\$16.36 million in FY2011. This increase was mainly attributable to our principal subsidiary, Figtree Projects, becoming active in 2011.

In March 2011, Figtree Projects was awarded its first major project with a contract value above S\$45 million, when it was appointed by Second Development Pte Ltd to design and build a 8-storey ramp up warehouse development. Revenue amounting to S\$15.93 million was recognised in FY2011 for this project. In 2011, we were involved in other minor projects, which contributed, in aggregate, approximately S\$0.06 million to our revenue.

In January 2011 and April 2011, Figtree Shanghai and Figtree Malaysia were incorporated respectively, also contributing to the total revenue increase in FY2011. Figtree Shanghai contributed S\$0.17 million of total revenue while Figtree Malaysia contributed S\$0.04 million of total revenue in FY2011.

Cost of sales

Cost of sales increased by approximately S\$14.51 million from S\$0.12 million in FY2010 to S\$14.63 million in FY2011. Cost of sales was 75.00% of our revenue in FY2010 as compared to 89.43% of our revenue in FY2011. The increase was in line with the award of a new project which was larger in scale, which resulted in an increase in the amount of works being sub-contracted out. Sub-contract works relating to this project amounted to S\$13.92 million. Other cost of sales relate to sub-contract works relating to other minor projects of approximately S\$0.59 million.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately S\$1.69 million from S\$0.04 million in FY2010 to S\$1.73 million in FY2011, whereas gross profit margin decreased from 25.00% in FY2010 to 10.57% in FY2011. The decrease in gross profit margin was due to us lowering our mark-ups in tenders for bigger projects to provide competitive quotes to secure these contracts and build up our Group's portfolio so as to obtain future business opportunities.

Other income

Our other income increased from an insignificant amount in FY2010 to S\$0.01 million in FY2011. This was mainly due to Singapore Government grants received in FY2011 of approximately S\$0.01 million. No such grants were received in FY2010.

Administrative expenses

Total administrative expenses increased by approximately S\$0.54 million or 192.86% from S\$0.28 million in FY2010 to S\$0.82 million in FY2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The increase in administrative expenses was mainly attributable to the increase in employee expenses by approximately S\$0.43 million from S\$0.22 million in FY2010 to S\$0.65 million in FY2011 which arose as a result of an increase in headcount to support the increased activities in Figtree Projects in FY2011, and an increase in other administrative expenses such as professional and audit fees and office related expenses of approximately S\$0.11 million.

Finance costs

Finance costs amounted to approximately S\$0.01 million in FY2011 due to interest expense on loans from shareholders to finance the operations of Figtree Projects. No such loans were extended to our Group in 2010.

Profit/(loss) before taxation

Profit/(loss) before taxation increased by approximately S\$1.16 million or 483.33% from a loss of S\$0.24 million in FY2010 to a profit of S\$0.92 million in FY2011 as a result of an increase in gross profit of approximately S\$1.69 million which is partially offset by an increase in administrative expenses of approximately S\$0.54 million.

Income tax expense

Income tax expense was incurred only in FY2011 as our Group suffered a loss in FY2010. The Singapore, PRC and Malaysia statutory corporate tax rates for FY2011 were 17.00%, 25.00% and 20.00% respectively. As we derived most of our revenue in Singapore, the income tax incurred in the PRC and Malaysia had minimal impact on our income tax expense. Our effective income tax rate in FY2011 was 13.04%, which was lower than the Singapore statutory corporate tax rate of 17.00% in FY2011. The lower tax rate was due mainly to productivity and innovation credit allowances, corporate income tax rebate and tax effects of Singapore statutory stepped income exemptions.

FY2012 compared with FY2011

Revenue

Our total revenue increased by approximately S\$43.55 million or 266.20% from S\$16.36 million in FY2011 to S\$59.91 million in FY2012. This increase in total revenue was mainly attributable to the increase in work done for our first major project with Second Development Pte Ltd, leading to its completion. Revenue for this project increased by approximately S\$13.47 million or 84.35% from S\$15.97 million in FY2011 to S\$29.44 million in FY2012.

In April 2012, Figtree Projects was awarded its second major project with a contract value above S\$79 million, when it was appointed by Tech-Link to design and build an 8-storey general warehouse development. Revenue amounting to S\$21.89 million was recognised in FY2012 for this project.

In May 2012, Figtree Projects was awarded its third major project with a contract value above S\$48 million, when it was appointed by Seo Eng Joo Frozen Food Pte Ltd to design and build a 9-storey single user industrial development. Revenue amounting to S\$8.15 million was recognised in FY2012 for this project.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

There were also smaller projects that were awarded and completed in FY2012 amounting to S\$0.04 million. No such projects were undertaken in FY2011.

Cost of sales

Cost of sales increased by S\$39.55 million from S\$14.63 million in FY2011 to S\$54.18 million in FY2012. Cost of sales was 89.43% of our revenue in FY2011 as compared to 90.43% of our revenue in FY2012. The increase in cost of sales arose as a result of an increase in the amount of works being sub-contracted out of approximately S\$39.55 million.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately S\$4.01 million from S\$1.73 million in FY2011 to S\$5.74 million in FY2012 whereas gross profit margin decreased from 10.57% in FY2011 to 9.57% in FY2012. The slight decrease in gross profit margin in FY2012 was due to our Group's increased efforts in securing contracts to build up our Group's portfolio so as to obtain future business opportunities.

Other income

Our other income increased by S\$0.05 million or 500.00%, from S\$0.01 million in FY2011 to S\$0.06 million in FY2012. This was mainly due to a grant received from BCA amounting to S\$0.05 million relating to the Productivity Improvement Project Scheme.

Administrative expenses

Total administrative expenses increased by S\$0.52 million or 63.41% from S\$0.82 million in FY2011 to S\$1.34 million in FY2012.

The increase was mainly attributable to the increase in headcount to support the increase in activities of our Group in FY2012. Employee and employee-related expenses increased by S\$0.35 million from approximately S\$0.68 million in FY2011 to S\$1.03 million in FY2012.

The increase in administrative expenses in FY2012 was also due to an increase in the rental of our office premises of S\$0.08 million, an increase in depreciation of our office equipment and computers of S\$0.02 million and an increase in other administrative expenses such as professional and audit fees and office related expenses of S\$0.07 million.

Finance costs

Finance costs amounting to approximately S\$0.01 million in FY2011 were incurred due to interest expense on loans from shareholders in FY2011 to finance the operations of Figtree Projects. No such loans were extended to our Group in FY2012.

Profit before taxation

Profit before taxation increased by approximately S\$3.55 million or 385.87% from S\$0.92 million in FY2011 to S\$4.47 million in FY2012. This is in line with the increase in gross profit of approximately S\$4.01 million and an increase in other income of approximately S\$0.05 million which is partially offset by an increase in administrative expenses of approximately S\$0.52 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Income tax expense

Income tax expenses increased from S\$0.12 million in FY2011 to S\$0.65 million in FY2012. The Singapore, PRC and Malaysia statutory corporate tax rates for FY2011 and FY2012 were 17.00%, 25.00% and 20.00% respectively. As we derived most of our revenue in Singapore, the income tax incurred in the PRC and Malaysia had minimal impact on our income tax expense. Even though our effective income tax rate increased from 13.04% in FY2011 to 14.54% in FY2012, our effective income tax rate was still lower than the Singapore statutory corporate tax rate of 17.00% in FY2011 and FY2012. The lower tax rate was due mainly to productivity and innovation credit allowances, corporate income tax rebate and tax effects of Singapore statutory stepped income exemptions, partially offset by certain expenses which were not deductible for income tax purposes.

HY2013 compared with HY2012

Revenue

Our total revenue increased by approximately S\$14.79 million or 42.15% from S\$35.09 million in HY2012 to S\$49.88 million in HY2013. This increase was mainly attributable to an increase in revenue recognised in HY2013 for our second major project with Tech-Link which was awarded in April 2012 of approximately S\$17.58 million from S\$12.99 million in HY2012 to S\$30.57 million in HY2013. The increase in our total revenue is also attributable to an increase in revenue recognised in HY2013 for our third major project with Seo Eng Joo Frozen Food Pte Ltd which was awarded in May 2012 of approximately S\$16.03 million from S\$0.35 million in HY2012 to S\$16.38 million in HY2013.

There were also smaller projects that were awarded and completed in HY2013 amounting to approximately S\$2.08 million. No such projects were undertaken in HY2012.

This is partially offset by a decrease in revenue recognised for our first major project with Second Development Pte Ltd amounting to approximately S\$20.90 million from S\$21.35 million in HY2012 to S\$0.45 million in HY2013.

Cost of sales

Cost of sales increased by S\$10.37 million from S\$31.52 million in HY2012 to S\$41.89 million in HY2013 mainly due to an increase in the amount of works being sub-contracted out of approximately S\$10.37 million. Notwithstanding that, our cost of sales was 89.83% of our revenue in HY2012 as compared to 83.98% of our revenue in HY2013. The decrease in cost of sales as compared to our revenue was due to better project cost management by Figtree Projects for the second major project with Tech-Link and the third major project with Seo Eng Joo Frozen Food Pte Ltd.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately S\$4.43 million from S\$3.57 million in HY2012 to S\$8.00 million in HY2013. Gross profit margin increased from 10.17% in HY2012 to 16.04% in HY2013. The increase in gross profit margin in HY2013 is in line with better cost management by Figtree Projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other income

Our other income remained consistent at S\$0.01 million in HY2012 and HY2013.

Administrative expenses

Total administrative expenses increased by S\$0.49 million or 76.56% from S\$0.64 million in HY2012 to S\$1.13 million in HY2013. The increase was mainly attributable to an increase in professional fees of S\$0.36 million and an increase in headcount to support the increase in activities of our Group in HY2013 resulting in an increase in employee expenses of approximately S\$0.07 million. The increase in administrative expenses in HY2013 was also due to an increase in depreciation of our office equipment and computers of S\$0.02 million and office related expenses of S\$0.04 million.

Profit before taxation

Profit before taxation increased by approximately S\$3.94 million or 134.01% from S\$2.94 million in HY2012 to S\$6.88 million in HY2013. This is in line with the increase in gross profit of approximately S\$4.43 million which is partially offset by an increase in administrative expenses of approximately S\$0.49 million.

Income tax expense

Income tax expenses increased from S\$0.42 million in HY2012 to S\$1.21 million in HY2013. The Singapore, PRC and Malaysia statutory corporate tax rates for HY2012 and HY2013 were 17.00%, 25.00% and 20.00% respectively. As we derived most of our revenue in Singapore, the income tax incurred in the PRC and Malaysia had minimal impact on our income tax expense. Our effective income tax rate increased from 14.29% in HY2012 to 17.59% in HY2013. Our effective income tax rate was higher than the Singapore statutory corporate tax rate of 17.0% in HY2013 due to certain expenses which were not deductible for income tax purposes.

REVIEW OF FINANCIAL POSITION

As at 31 December 2012

Non-current assets

As at 31 December 2012, our non-current assets of approximately S\$0.14 million accounted for approximately 0.49% of our total assets. Our non-current assets comprised of plant and equipment. This relates to computers, office equipment and furniture and fittings.

Current assets

As at 31 December 2012, our current assets of approximately S\$28.52 million accounted for approximately 99.51% of our total assets. Our current assets comprised mainly of the following:

- (a) trade receivables of approximately S\$17.42 million constituting 61.08% of our total current assets. This comprised of (i) trade receivables of S\$11.22 million; and (ii) retention

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

receivables of S\$6.20 million (which relates to the amounts ranging from 5.0% to 10.0% of the contract value retained by our customers to secure the fulfilment of our obligations under the contract);

- (b) other receivables amounting to approximately S\$2.17 million or 7.61% of our total current assets. This mainly comprised of (i) cash collateral amounting to S\$2.15 million given to an insurance company to secure performance bonds for our projects; and (ii) deposits amounting to approximately S\$0.02 million relating to deposits made for utilities and rental;
- (c) cash and short term deposits of approximately S\$8.79 million which accounted for approximately 30.82% of our total current assets; and
- (d) advance payment to a sub-contractor of S\$0.06 million and prepayments of professional fees in connection with the Placement of S\$0.08 million, which in aggregate accounted for approximately 0.49% of our total current assets.

Non-current liabilities

As at 31 December 2012, our non-current liabilities of approximately S\$0.01 million accounted for approximately 0.04% of our total liabilities. Our non-current liabilities comprised of deferred tax liabilities, which arose mainly as a result of an excess of net carrying value over tax written down value of plant and equipment.

Current liabilities

As at 31 December 2012, our current liabilities of approximately S\$23.67 million accounted for approximately 99.96% of our total liabilities. Our current liabilities comprised mainly of the following:

- (a) trade and other payables amounting to approximately S\$13.12 million or 55.43% of our total current liabilities. This mainly comprised of (i) trade payables of S\$0.65 million; (ii) accrued operating expenses of S\$12.43 million which mainly relate to accrued expenses for work completed by sub-contractors which has not been invoiced by our sub-contractors, accruals for professional fees and provision for bonuses; and (iii) sundry payables of S\$0.04 million;
- (b) gross amount due to customers for contract work-in-progress of approximately S\$9.91 million constituting 41.87% of our total current liabilities; and
- (c) provision for taxation of approximately S\$0.64 million constituting 2.70% of our total current liabilities.

Equity attributable to equity holders of the Company

As at 31 December 2012, our equity attributable to equity holders of the Company amounted to approximately S\$4.92 million comprising mainly S\$1.00 million of issued share capital and S\$3.92 million of accumulated profits.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at 30 June 2013

Non-current assets

As at 30 June 2013, our non-current assets of approximately S\$0.17 million accounted for approximately 0.44% of our total assets. Our non-current assets comprised of plant and equipment. This relates to motor vehicles, computers, office equipment and furniture and fittings.

Current assets

As at 30 June 2013, our current assets of approximately S\$38.79 million accounted for approximately 99.56% of our total assets. Our current assets comprised mainly of the following:

- (a) gross amount due from customers for contract work-in-progress of approximately S\$0.55 million constituting 1.42% of our total current assets;
- (b) trade receivables of approximately S\$29.60 million constituting 76.31% of our total current assets. This comprised of (i) trade receivables of S\$21.18 million; and (ii) retention receivables of S\$8.42 million (which relates to the amounts ranging from 5.0% to 10.0% of the contract value retained by our customers to secure the fulfilment of our obligations under the contract);
- (c) other receivables amounting to approximately S\$2.22 million or 5.72% of our total current assets. This mainly comprised of (i) cash collateral amounting to S\$2.15 million given to an insurance company to secure performance bonds for our projects; and (ii) deposits amounting to approximately S\$0.07 million relating to deposits made for utilities and rental; and
- (d) cash and short term deposits of approximately S\$6.35 million which accounted for approximately 16.37% of our total current assets.

Non-current liabilities

As at 30 June 2013, our non-current liabilities of approximately S\$0.02 million accounted for approximately 0.07% of our total liabilities. Our non-current liabilities comprised of deferred tax liabilities, which arose mainly as a result of an excess of net carrying value over tax written down value of plant and equipment.

Current liabilities

As at 30 June 2013, our current liabilities of approximately S\$29.78 million accounted for approximately 99.93% of our total liabilities. Our current liabilities comprised mainly of the following:

- (a) trade and other payables amounting to approximately S\$16.33 million or 54.84% of our total current liabilities. This mainly comprised of (i) trade payables of S\$0.88 million; (ii) accrued operating expenses of S\$15.40 million which mainly relate to accrued expenses for work completed by sub-contractors which has not been invoiced by our sub-contractors, accruals for professional fees and provision for bonuses; and (iii) sundry payables of S\$0.05 million;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (b) gross amount due to customers for contract work-in-progress of approximately S\$11.93 million constituting 40.06% of our total current liabilities; and
- (c) provision for taxation of approximately S\$1.52 million constituting 5.10% of our total current liabilities.

Equity attributable to equity holders of the Company

As at 30 June 2013, our equity attributable to equity holders of the Company amounted to S\$9.13 million comprising mainly S\$1.00 million of issued share capital, S\$0.01 million of foreign currency translation reserve and S\$8.12 million of accumulated profits.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Group financed our growth and operations through both internal and external sources. Internal sources of funds comprise cash generated from our Group's operating activities. External sources of funds comprise mainly banking facilities from financial institutions, credit granted by sub-contractors and capital investment from Shareholders. The principal uses of these cash sources are to finance project related costs, capital expenditure and administrative expenses such as staff related costs, rental of office premises and other general expenses.

The following table sets out a summary of our Company's cash flows for FY2010, FY2011, FY2012 and HY2013.

(S\$'000)	FY2010	FY2011	FY2012	HY2013
Net cash flows (used in)/generated from operating activities	(208)	4,026	4,598	(892)
Net cash flows used in investing activities	(22)	(20)	(123)	(55)
Net cash flows generated from/(used in) financing activities	120	232	–	(2,750)
Net (decrease)/increase in cash and cash equivalents	(110)	4,238	4,475	(3,697)
Effects of exchange rate changes on cash and cash equivalents	–	–	–	7
Cash and cash equivalents at the beginning of the financial year/period	189	79	4,317	8,792
Cash and cash equivalents at the end of the financial year/period ⁽¹⁾	79	4,317	8,792	5,102

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Note:

- (1) For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

(\$'000)	FY2010	FY2011	FY2012	HY2013
Cash and short term deposits	79	4,317	8,792	6,352
Less: Pledged deposits	–	–	–	(1,250)
Cash and cash equivalents in the consolidated cash flow statement	79	4,317	8,792	5,102

FY2010

In FY2010, we recorded net cash used in operating activities of approximately S\$0.21 million, which was a result of negative operating cash flows before changes in working capital of S\$0.23 million, adjusted for net working capital inflows of approximately S\$0.02 million. Our working capital inflows were mainly due to the following:

- (i) a decrease in trade and other receivables of S\$0.01 million; and
- (ii) an increase in trade and other payables of S\$0.02 million.

Net cash used in investing activities amounted to S\$0.02 million, which was due to the purchases of plant and equipment.

Net cash generated from financing activities amounted to S\$0.12 million, which was due to proceeds received from the issuance of ordinary shares.

As at 31 December 2010, our cash and cash equivalents was S\$0.08 million.

FY2011

In FY2011, we recorded net cash generated from operating activities of approximately S\$4.03 million, which was a result of operating cash flows before changes in working capital of S\$0.94 million and net working capital inflow of approximately S\$3.09 million, adjusted for income tax paid of approximately S\$0.01 million. Our working capital inflows were mainly due to the following:

- (i) an increase in gross amount due to customers for contract work-in-progress of S\$6.34 million; and
- (ii) an increase in trade and other payables of S\$10.33 million.

The above working capital inflows were partially offset by:

- (i) an increase in trade receivables of S\$12.83 million; and
- (ii) an increase in other receivables of S\$0.75 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash used in investing activities amounted to S\$0.02 million, which was due to the purchases of plant and equipment.

Net cash generated from financing activities amounted to S\$0.23 million, which was due to the acquisition of non-controlling interests of S\$0.04 million and proceeds received from the issuance of ordinary shares of S\$0.20 million, partially offset by interest expenses paid on shareholders' loans of S\$0.01 million.

As a result of the above, there was a net increase of S\$4.24 million in our cash and cash equivalents, from S\$0.08 million as at 1 January 2011 to S\$4.32 million as at 31 December 2011.

FY2012

In FY2012, we recorded net cash generated from operating activities of approximately S\$4.60 million, which was a result of operating cash flows before changes in working capital of S\$4.50 million and net working capital inflow of approximately S\$0.21 million, adjusted for income tax paid of approximately S\$0.11 million. Our working capital inflows were mainly due to the following:

- (i) an increase in gross amount due to customers for contract work-in-progress of S\$3.57 million; and
- (ii) an increase in trade and other payables of S\$2.78 million.

The above working capital inflows were partially offset by:

- (i) an increase in trade receivables of S\$4.59 million; and
- (ii) an increase in other receivables of S\$1.55 million.

Net cash used in investing activities amounted to S\$0.12 million, which was due to the purchases of plant and equipment of approximately S\$0.13 million, offset by interest received of approximately S\$0.01 million.

There were no financing activities in FY2012.

As a result of the above, there was a net increase of S\$4.47 million in our cash and cash equivalents, from S\$4.32 million as at 1 January 2012 to S\$8.79 million as at 31 December 2012.

HY2013

In HY2013, we recorded a net cash outflow from operating activities of S\$0.89 million, which was a result of operating cash flows before changes in working capital of S\$6.91 million, adjusted for working capital outflows of S\$7.48 million, adjusted for income tax paid of approximately S\$0.32 million. Our working capital outflows were mainly due to the following:

- (a) an increase in trade receivables of S\$12.18 million; and
- (b) an increase in gross amount due from customers for contract work-in-progress of S\$0.55 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The above working capital outflows were partially offset by:

- (a) an increase in other receivables and prepayments of S\$0.03 million;
- (b) an increase in gross amount due to customers for contract work-in-progress of S\$2.02 million; and
- (c) an increase in trade and other payables of S\$3.21 million.

Net cash used in investing activities amounted to S\$0.06 million, which was due mainly to the purchases of plant and equipment of approximately S\$0.06 million.

Net cash used in financing activities amounted to S\$2.75 million, which was due to dividends paid on ordinary shares amounting to S\$1.50 million and the placement of pledged bank deposits of S\$1.25 million.

As a result of the above, there was a net decrease of S\$3.69 million in our cash and cash equivalents, from S\$8.79 million as at 1 January 2013 to S\$5.10 million as at 30 June 2013.

INFLATION

Our financial performance for the periods under review was not materially affected by inflation.

CAPITAL EXPENDITURE AND DIVESTMENTS

The capital expenditures and divestments made by our Group in FY2010, FY2011, FY2012 and HY2013 and for the period from 1 July 2013 to the Latest Practicable Date were as follows:

(S\$'000)	FY2010	FY2011	FY2012	HY2013	From 1 July 2013 to the Latest Practicable Date
Expenditures					
Leasehold properties	—	—	—	—	3,529
Motor vehicles	—	—	—	32	—
Computers	13	16	69	27	15
Office equipment	—	3	3	—	1
Furniture and fittings	8	1	60	4	—
Total	21	20	132	63	3,545

There were no divestments during the periods under review and the period from 1 July 2013 to the Latest Practicable Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The above capital expenditures were primarily financed by the issuance of ordinary shares and internally generated funds, except for leasehold properties, being the New Office, which was partially financed by a 10-year term loan of approximately S\$2.12 million from DBS Bank Ltd., which has an interest rate of 1.48% per annum for the first year. As at the Latest Practicable Date, we have drawn down approximately S\$1.76 million to partially finance the New Office.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Transactions in foreign currencies are measured in the respective functional currencies of our Company and our subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of our Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of our Group on disposal of the foreign operations.

Foreign Exchange Exposure

Our reporting currency is in Singapore dollars and our operations are primarily carried out in Singapore, PRC and Malaysia. Other than the respective functional currencies of our subsidiary companies, there were no transactions undertaken with foreign currencies during the periods under review.

We currently do not have a formal foreign currency hedging policy with respect to any possible foreign currency exposure. We will continue to monitor any foreign exchange exposure in the future and will consider formalising a hedging policy to manage the foreign exchange exposure should the need arise. Such policies will be reviewed and approved by our Audit Committee and our Board. However, we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations.

SIGNIFICANT ACCOUNTING POLICY CHANGES

Save as disclosed in the "Independent Auditor's Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012" as set out in Appendix A of this Offer Document and the "Independent Auditor's Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013" as set out in Appendix B of this Offer Document, we have not made any significant changes in our accounting policies during the periods under review.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the “Independent Auditor’s Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012” as set out in Appendix A of this Offer Document, the “Independent Auditor’s Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013” as set out in Appendix B of this Offer Document and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, shows our cash and short term deposits and capitalisation and indebtedness:

- (i) as at 30 June 2013 based on our unaudited interim consolidated financial statements;
- (ii) as at 31 August 2013 based on our unaudited consolidated management accounts; and
- (iii) as adjusted to give effect to the Restructuring Exercise and the application of the net proceeds from the Placement, after deducting estimated listing expenses related to the Placement.

(S\$’000)	As at 30 June 2013	As at 31 August 2013	As adjusted
Cash and short term deposits	6,352	17,277	27,216
Total indebtedness	—	—	—
Total shareholders’ equity and reserves	9,153	10,585	20,069
Total capitalisation and indebtedness	9,153	10,585	20,069

As at the Latest Practicable Date, save for the 10-year term loan of approximately S\$2.12 million from DBS Bank Ltd., which has an interest rate of 1.48% per annum for the first year, of which we have drawn down approximately S\$1.76 million to partially finance the purchase of the New Office, there were no material changes to our capitalisation and indebtedness as disclosed above.

CAPITALISATION AND INDEBTEDNESS

Banking Facilities

As at the Latest Practicable Date, our Group's banking facilities from the financial institutions are as follows:

Financial institution	Nature of facility	Facility amount (\$'000)	Utilised amount (\$'000)	Unutilised amount (\$'000)	Interest rate	Maturity profile
United Overseas Bank Limited	Performance guarantee	5,000	–	5,000	Commission of 1.25% per annum on the performance guarantee amount	–
DBS Bank Ltd.	Letters of guarantee and fixed advance facility	5,000	130 ⁽¹⁾	4,870	Commission of 1.20% per annum for the letters of guarantee and prevailing 1 or 3-month swap offer rate plus 2.50% per annum for the fixed advance facility	–
DBS Bank Ltd.	Overdraft	200	–	200	Prevailing prime rate per annum	Repayable on demand
DBS Bank Ltd.	Term loan	2,118	1,764	354	1.48% per annum for the first year	10 years from disbursement date
Total		12,318	1,894	10,424		

Note:

- (1) This is in relation to the bank guarantee issued for the FLET Project, which is valid until 31 May 2014 unless otherwise cancelled, renewed or extended. In addition, since the Latest Practicable Date, on 4 October 2013, DBS Bank Ltd. has issued a bank guarantee of S\$450,000 for the Senoko South Project, which is valid until 3 August 2014 unless otherwise cancelled, renewed or extended.

As at the Latest Practicable Date, we have total banking facilities of approximately S\$12.32 million, of which approximately S\$1.89 million have been utilised. Such banking facilities comprise mainly overdraft, term loan and the issuance of performance guarantees and bank guarantees. Our banking facilities are secured by one or several of (i) charges over fixed deposits and accounts maintained with banks, (ii) assignment of progress payments from projects, (iii) personal guarantees, (iv) mortgage over the New Office and (v) assignment of rental proceeds. Interest on the overdraft and term loan facilities range from 1.48% to 4.25% per annum or such other rate(s) as the bank may determine from time to time. Facilities for the issuance of performance guarantees and bank guarantees are charged based on the relevant bank's prevailing commissions/charges.

As at the Latest Practicable Date, to the best of our Directors' knowledge, we are not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results of business operations, or the investments of our Shareholders.

CAPITALISATION AND INDEBTEDNESS

Performance Bonds

As at the Latest Practicable Date, in addition to the performance guarantees and bank guarantees as set out in the section entitled “Capitalisation and Indebtedness – Banking Facilities” of this Offer Document, we have the following performance bonds from the insurance institutions:

Institution	Performance bond/project	Amount guaranteed	Premium paid	Maturity profile
Tokio Marine Insurance Singapore Ltd.	Performance bond issued for the Sunview Project	S\$2,265,000	S\$ 58,555.29	24 September 2013 ⁽¹⁾
Tokio Marine Insurance Singapore Ltd.	Performance bond issued for the SEJ Project	S\$2,412,650	S\$ 53,244.17	25 September 2013 ⁽²⁾
Tokio Marine Insurance Singapore Ltd.	Performance bond issued for the KWE Project	S\$3,955,000	S\$100,506.44	30 November 2014

Notes:

- (1) As at the date of this Offer Document, we are in the process of cancelling this performance bond.
 (2) As at the date of this Offer Document, we are in the process of extending the maturity period of this performance bond to 31 January 2014.

The above performance bonds are secured by cash collaterals and personal indemnities. Please refer to the section entitled “Interested Person Transactions — On-Going Interested Person Transactions” of this Offer Document for further details.

Operating Lease Commitments

Our Group has entered into commercial property leases for the rental of its office premises and certain office equipment. As at 31 August 2013 and the Latest Practicable Date, the future minimum lease payable under the non-cancellable operating leases are as follows:

(S\$'000)	31 August 2013	Latest Practicable Date
Not later than one year	37	32
Later than one year but not later than five years	12	11
	49	43

Capital Commitments

Our Group has no material capital commitments as at the Latest Practicable Date.

Contingent Liabilities

As at the Latest Practicable Date, to the best of our knowledge, information and belief, we are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

WORKING CAPITAL

Our Company financed our operations through both internal and external sources. Our internal sources of funds comprise cash generated from our Group's operating activities. Our external sources of funds comprise mainly banking facilities from financial institutions, credit granted by sub-contractors and capital investment from Shareholders.

Our Group had cash and short term deposits of approximately S\$0.08 million, S\$4.32 million, and S\$8.79 million as at 31 December 2010, 31 December 2011 and 31 December 2012 respectively.

As at 30 June 2013, we had an aggregate net cash surplus position of S\$6.35 million, of which S\$1.10 million were related to cash at banks and on hand and S\$5.25 million were related to short term deposits held with financial institutions. The short term deposits mature within one month to two months and interests are earned at rates ranging from 0.07% to 0.30% per annum.

In FY2012, the net cash generated from our Group's operating activities was S\$4.60 million. As at 30 June 2013, our Group recorded positive working capital of approximately S\$9.00 million.

As at the Latest Practicable Date, we had an aggregate net cash surplus position of S\$16.98 million and available credit facilities granted of approximately S\$12.32 million, of which approximately S\$1.89 million were utilised and approximately S\$10.42 million were unutilised.

Our Directors are of the reasonable opinion that, after having made due and careful inquiry and after taking into account the cash flows generated from our operations and our existing cash and short term deposits, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present working capital requirements and for at least 12 months after the admission of our Company to Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful inquiry and after taking into account the cash flows generated from our operations and our existing cash and short term deposits, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present working capital requirements and for at least 12 months after the admission of our Company to Catalist.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our Company was incorporated on 5 June 2013 in Singapore under the Companies Act as an investment holding private limited company under the name of “Figtree Holdings Pte. Ltd.”. Our Company was converted into a public company and renamed as “Figtree Holdings Limited” on 11 October 2013. Pursuant to the Restructuring Exercise, we became the holding company for all of our subsidiaries and associated company.

Figtree Projects

Our principal subsidiary, Figtree Projects, is a private limited company incorporated on 18 July 2009 in Singapore under the Companies Act. It was founded by Robert Oei to undertake design and construction works and provide general building engineering services. Since incorporation, Figtree Projects provided building engineering consultancy services and in September 2010, Figtree Projects made its first breakthrough when it was successfully licensed by the BCA as a General Builder Class 1 which allowed Figtree Projects to undertake general building works of unlimited value.

Danny Siaw joined as its Managing Director in 2011 and in May 2011, Figtree Projects was awarded its first major project with a contract value above S\$45 million when it was appointed by Second Development Pte Ltd to design and build a 8-storey ramp up warehouse development, where the main tenant was Menlo Worldwide Logistics, a global logistics company. In September 2013, this project was awarded the BCA Green Mark Award (Gold^{Plus}). Since the first major project, Figtree Projects has clinched various other major projects with contract value of up to S\$127 million, including a 9-storey food processing and cold room/ramp up warehouse for Seo Eng Joo Frozen Food Pte Ltd with contract value above S\$48 million and a 8-storey ramp up warehouse development for Tech-Link with contract value above S\$79 million. Please refer to the section entitled “General Information on our Group – Projects Undertaken by Our Group” of this Offer Document for details of our major projects.

In May 2011, as a testament to the quality of our services, Figtree Projects obtained certification from British Standards Institution for BS OHSAS 18001:2007 in relation to our occupational health and safety management system, ISO 14001:2004 in relation to our environmental management system and ISO 9001:2008 in relation to our quality management system.

In March 2012, Figtree Projects applied for and was successfully registered by the BCA under the category of CW01 for general building with a C3 grading. This C3 grading allowed Figtree Projects to tender for public sector construction projects of up to S\$650,000. This was subsequently upgraded by Figtree Projects in November 2012 to a B2 grading, which allows Figtree Projects to tender for public sector construction projects of up to S\$13 million.

In 2013, in recognition of our achievements, Figtree Projects was awarded Singapore SME 1000 Company 2013 by DP Information Group (part of the Experian Group). Please refer to the section entitled “General Information on our Group – Awards and Certifications” of this Offer Document for details of our various awards and certifications.

Figtree Shanghai

In January 2011, in order to leverage on Danny Siaw’s business contacts in the PRC to grow our business, we established our first overseas subsidiary in the PRC, Figtree Shanghai, together with Nylect Engineering and Tan Hock Seng to provide design services and consulting services including project management consulting, construction project consulting and business

GENERAL INFORMATION ON OUR GROUP

management consulting. Nylect Engineering is a wholly-owned subsidiary of Nylect International Pte Ltd, one of our sub-contractors for electrical works. Tan Hock Seng is a shareholder of Tech-Link, one of our major customers as well as a major sub-contractor. Figtree Shanghai is 60% owned by Figtree Projects.

In July 2011, Figtree Shanghai was awarded its first design and project and construction management services contract by Sin-Sino Industrial Development (Suzhou) Co., Ltd in relation to the development of a 400,000 sq ft factory and warehouse in Taicang, Suzhou, Jiangsu province in the PRC. This project, which had a total development value of RMB70 million, was successfully completed in December 2012.

In November 2012, Figtree Shanghai was awarded another design and project and construction management services contract by Goodrich Global Ltd in relation to the development of a 250,000 sq ft industrial facility in Wujiang, Suzhou, Jiangsu province in the PRC. This project is expected to be completed in July 2014.

In July 2013, Figtree Shanghai was awarded another design and project and construction management services contract by Fortune Land Industrial Development Pte Ltd in relation to the development of a 600,000 sq ft industrial park in Chengxiang High-Tech Industrial Park, Taicang, Suzhou, Jiangsu province in the PRC. This project is expected to be completed in December 2014.

In August 2013, Figtree Shanghai was awarded another design and project and construction management services contract by HT Industrial Development Pte Ltd in relation to the development of a 1,100,000 sq ft warehouse facility in Chengxiang High-Tech Industrial Park, Taicang, Suzhou, Jiangsu province in the PRC. This project is expected to be completed in June 2015.

Please refer to the section entitled “General Information on our Group – Projects Undertaken by Our Group” of this Offer Document for details of our major projects.

Figtree Malaysia

In 2010, we were approached by one of our sub-contractors to manage a project in Johor, Malaysia. This led to the establishment of our second overseas subsidiary, Figtree Malaysia, who was awarded its first project management contract by Pipeline Distribution (M) Sdn Bhd in April 2011. This project had a total development value of RM9.7 million and was successfully completed in May 2012.

Figtree Developments

As part of our expansion plans, we incorporated Figtree Developments in June 2013 as our wholly-owned subsidiary to undertake property development projects. In August 2013, leveraging on our experience in providing design and project and construction management services for property development projects, Figtree Developments subscribed for shares in the capital of Vibrant Properties, pursuant to which Figtree Developments became a 20% shareholder of Vibrant Properties. For further details, please refer to the section entitled “Restructuring Exercise” of this Offer Document. Our Group’s investment into Vibrant Properties is in connection with our Group’s proposed entry into the property development business.

Going forward, we intend to continue to focus on our core strengths and capabilities, expand our property development business and explore overseas opportunities.

GENERAL INFORMATION ON OUR GROUP

BUSINESS

We are a group specialising in the design and building of commercial and industrial facilities. As a secondary activity, we also engage in property development. Our scope of services covers the full spectrum of the project development process including land search and authority liaison, feasibility studies, design and construction.

Our design expertise includes architectural concept design, civil and structural design, mechanical and electrical design, cleanrooms and process services engineering.

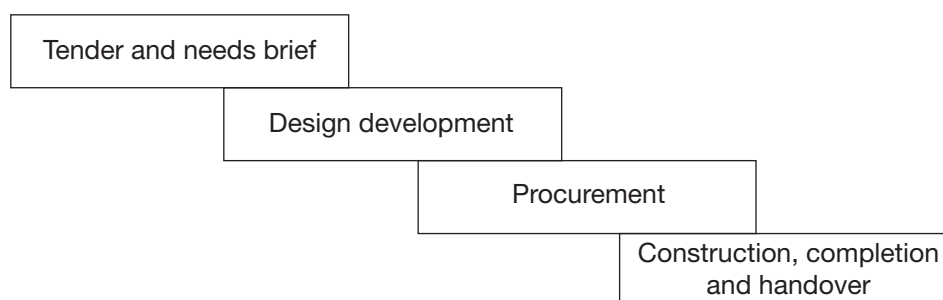
Where we are engaged to act as the main contractor, we provide building construction services to our clients generally by way of an industry standard contract such as the REDAS design and build contract, whereby the construction project is executed in accordance with the designs and specifications agreed with our clients. As the main contractor, we typically engage the services of sub-contractors for piling and temporary works, structural works, roofing, aluminium works, joinery, stone works, civil engineering works, M&E services, brick-laying, plastering services, landscaping, installation of air-conditioning, elevators, utilities and interior decoration.

For projects where we are engaged to provide design and project and construction management services, these projects are highly valued as their conceptual design and project management elements necessitate a greater degree of technical know-how and expertise. Depending on the nature, scale and complexity of the works, we usually take approximately one to two years to complete a project.

In Singapore, in addition to providing design and project and construction management services, we typically also act as the main contractor in our projects, which cover new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In the PRC and Malaysia, we typically provide design and project and construction management consulting services.

Our business process

Our business process flow can be illustrated diagrammatically as follows:



Tender and needs brief

We participate in design and build projects mainly through invited tenders. There are also instances in which customers approach us independently for proposals in respect of design and construction works required.

GENERAL INFORMATION ON OUR GROUP

In the case of invited tenders, invitations are made by customers or consultants, whom we may have dealt with previously or who have been referred to us by other customers or consultants who had worked with us previously. Contractors are typically required to submit a pre-qualification application form and only those who have a good track record, the requisite BCA grading, capacity and good financial standing are invited to participate in the tenders.

Before participating in a tender, we would first evaluate the credit-worthiness of our prospective customers, our existing commitments and available resources. Once a decision has been made to participate in the tender, we will:

- (i) review the relevant tender documents to understand the specific requirements of the project after clarifying any technical or legal ambiguities with our prospective customer;
- (ii) work with our prospective customer to produce an initial design brief of the proposed development, taking into consideration the specific requirements in the tender brief;
- (iii) quantify the tender cost estimate for the entire project, taking into account quotes obtained from our sub-contractors and suppliers for work required to be undertaken by them. Sufficient quotes will be called from a list of suppliers and sub-contractors whom we have worked with and are competitive in their quality, pricing and timely completion; and
- (iv) consider the complexity and construction time frame of the project, the condition of the vicinity of the project site and the applicable market conditions in determining the tender price.

Where our prospective customer has provided a concept design in the tender brief, our design team may provide an alternative design solution in addition to developing our prospective customer's concept design. Our alternative design solution will typically be a more cost and time efficient design solution which will meet our prospective customer's requirements.

The entire process for the above would typically take about three to four weeks depending on the size of project and the form of contract.

If our submitted tender terms are amongst the most favourable, we may then be required to attend tender interviews to explain our pricing and materials offered, methods of construction and to respond to any other queries relating to the tender. There may be negotiations to finalise the price and terms of the contract before the contract is awarded. Notification of a successful tender will typically take place within one to two months after the close of the tender.

Where we are independently approached for a design and build proposal, we will meet with our prospective customer to understand their requirements and budget before we prepare the design and cost proposal. The entire process would typically take about two to four weeks depending on the requirements of the project.

After we are awarded the contract, we will form a project team and our tender team will hand over the project to our project team via a project handover meeting, during which our project team will be briefed on, *inter alia*, the scope of works required, specific requirements of the project such as the construction phases, contract period and site constraints, as well as the budgeted project costs.

GENERAL INFORMATION ON OUR GROUP

Design development

The project team who will be executing the project will typically be headed by a project director and supported by a project manager, project engineers, M&E coordinators, site supervisors, safety supervisors and quantity surveyors. The project team will, where necessary, work with our design team to develop the design. External consultants such as architects, structural engineers and M&E engineers will also be appointed to undertake detailed design development and document submissions to the relevant authorities for approval.

The project team will also meet with our customer regularly during the course of the project to discuss, improve and develop detailed design for the entire project.

Procurement

At the commencement of the project, the project team will prepare a procurement schedule stating the required dates of award for various sub-contracts, as well as the costs and relevant details of the proposed materials that will be procured for use in the project.

We will typically invite at least three of our pre-approved sub-contractors to submit their quotations for the various sub-contract works based on our sub-contract tender documents prepared by our project team for each area of sub-contract work. We may require our sub-contractors to explain their pricing, methods of construction and to respond to any other queries relating to the sub-contract quotations. There may be negotiations to finalise the price and terms of the sub-contract before the sub-contract is awarded by our project team.

Regular meetings amongst the members of the project team will be held to monitor the status of the procurement schedule to ensure that the progress of the project will not be affected.

Construction, completion and handover

The project team will manage the project in accordance with the project requirements. Regular meetings will be held by the project team with our external consultants, suppliers and sub-contractors to track the progress of work, schedule of procurement and schedule of technical submission to ensure that these are carried out in a timely manner. The project team will also carry out daily site inspections to ensure that the works are carried out in accordance with the integrated quality procedures and that the execution of the project is under proper control and that all safety procedures are adhered to.

Before TOP is obtained, the project team will undertake a visual inspection of the project with the respective sub-contractors to ensure that the works are completed. The project team will then undertake a visual inspection of the project with our customer and a list of defects will be provided by our customer for rectification. The project team will ensure that the defects are duly rectified by the sub-contractors in a timely manner and to our customer's satisfaction.

Once TOP is obtained, the project team will handover the project to our customer and conduct training sessions for our customer's facility managers. We will be required to provide documents such as as-built drawings, warranties, operations and maintenance manuals to our customer within three months from handover.

Generally, our project contracts include a defects liability period of 12 months after the completion of the project. We are required to attend to all defects during the defects liability period. Typically, 5% of the contract value will be retained by our customer as retention monies to secure the

GENERAL INFORMATION ON OUR GROUP

fulfilment of our obligations under the contract and we will similarly retain 5% of our sub-contractors' contract value. In addition, we will furnish a performance bond, which will typically be 5% of the contract sum, issued by either an insurance company or a financial institution accepted by our customer, as security for our due performance of the contract.

Prior to the expiry of the defects liability period, our customer will normally issue a final list of defects that requires rectification. Upon rectification of the final list of defects and fulfilment of other contractual obligations, our customer will issue the final certificate and we will submit our final payment claim which includes the release of all outstanding retention monies and request for the discharge of the performance bond.

PROJECTS UNDERTAKEN BY OUR GROUP

As at the Latest Practicable Date, the following are some of our projects which we have undertaken during the periods under review and up to the Latest Practicable Date:

Location	Customer	Type of project	Status of project	(Estimated) completion date
Sunview Way, Singapore	Second Development Pte Ltd	8-storey ramp up warehouse development including mezzanine office	Completed	September 2012
Jalan Buroh, Singapore	Seo Eng Joo Frozen Food Pte Ltd	9-storey food processing and cold room/ramp up warehouse	Ongoing	December 2013
Jurong West Street 22, Singapore	Tech-Link	8-storey ramp up warehouse development including mezzanine office	Ongoing	November 2013
Senoko South Road, Singapore	Tech-Link	Addition and alteration to part 2/part 4-storey single user/purpose factory	Ongoing	August 2014
Gul Circle, Singapore	Crystal Freight Services Distripark Pte Ltd	8-storey ramp up warehouse development including ancillary office and roof top storage	Ongoing	June 2015

GENERAL INFORMATION ON OUR GROUP

Location	Customer	Type of project	Status of project	(Estimated) completion date
Foshan, PRC	Keppel Logistics (Foshan) Ltd	Project management contract for new logistics distribution centre	Completed	May 2011
Jiangsu, PRC	Sin-Sino Industrial Development (Suzhou) Co., Ltd	Project management contract for the development of a 400,000 sq ft factory and warehouse	Completed	December 2012
Jiangsu, PRC	Goodrich Global Ltd	Project management contract for the development of a 250,000 sq ft industrial facility	Ongoing	July 2014
Jiangsu, PRC	Fortune Land Industrial Development Pte Ltd	Project management contract for the development of a 600,000 sq ft industrial park	Ongoing	December 2014
Jiangsu, PRC	HT Industrial Development Pte Ltd	Project management contract for the development of a 1,100,000 sq ft warehouse facility	Ongoing	June 2015
Johor, Malaysia	Pipeline Distribution (M) Sdn Bhd	Project management contract for single storey factory with 3 rd storey ancillary office	Completed	May 2012

QUALITY MANAGEMENT

Our Group places strong emphasis on quality control to ensure that the quality of our projects comply with and exceed relevant regulations and requirements, as we believe that the quality of our projects is crucial to our continued growth and our reputation and market standing.

GENERAL INFORMATION ON OUR GROUP

Our Group has established a strict set of environmental, health and safety management policies applicable to our project managers or supervisors, foreign workers and sub-contractors for all projects. These policies cover all stages of our projects, from the time we occupy the work site, up to the point of completion of the projects. In addition, all environmental aspects and occupational health safety hazards which are in our control or under our management, as well as those that we cannot control or directly manage but are expected to affect our projects, are covered in the policies.

Quality management for each of our projects is undertaken by the respective project managers or supervisors who ensure that our quality control policies and procedures are adhered to and implemented.

As a testament to our quality commitment, we have obtained various quality certifications and accreditations. Please refer to the section entitled “General Information on our Group – Awards and Certifications” of this Offer Document for more information and details of our other certifications.

OUR MAJOR CUSTOMERS

Our major customers contributing 5% or more of our Group’s total revenue for FY2010, FY2011, FY2012 and HY2013 are set out below:

Customers	As a percentage (%) of our Group’s total revenue			
	FY2010	FY2011	FY2012	HY2013
Second Development Pte Ltd	–	97.6	49.1	0.9
Seo Eng Joo Frozen Food Pte Ltd	–	–	13.6	32.8
Tech-Link	–	–	36.5	61.3

Revenue contribution from our customers varied from year to year due to the nature of our business being conducted on a project basis. We may not generate similar projects in terms of size and scope with the same customers year-on-year.

Save as disclosed above, there is no other customer whose revenue contribution accounted for more than 5% of our revenue in FY2010, FY2011, FY2012 and HY2013.

We have not entered into any long-term contracts with these customers. To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of the major customers listed above.

As at the date of this Offer Document, save for their interests in quoted or listed equity securities which do not exceed 5% of the total amount of the issued securities in that class for the time being, none of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the abovementioned customers.

GENERAL INFORMATION ON OUR GROUP

OUR MAJOR SUB-CONTRACTORS

Our major sub-contractors accounting for 5% or more of our Group's total purchases for FY2010, FY2011, FY2012 and HY2013 are set out below:

Sub-contractors	Services provided/Materials supplied	As a percentage (%) of our purchases			
		FY2010	FY2011	FY2012	HY2013
Zecon Engineering Works Pte Ltd	Structural steel and metal works	22.5	–	–	0.4
Living & Deco Pte Ltd	Interior design works	77.5	–	–	–
Econ Piling Pte Ltd	Reinforced concrete piling works, supply of machinery	–	10.7	–	–
MA Builders Pte Ltd	Piling, demolition works, reinforced concrete and earthworks	–	19.3	28.7	22.4
TL Storage Engineering International Ltd	Professional consultancy services	–	59.5	21.9	2.6
CS Construction & Geotechnic Pte. Ltd.	Piling works	–	–	5.3	0.1
Zap Piling Pte Ltd	Piling works	–	–	6.3	0.7
BHCC Construction Pte Ltd	Reinforced concrete and earthworks	–	–	5.9	46.0
Tech-Link	Pallet racking system	–	–	53.2	0.5
Ultracon Structural Systems Pte Ltd	Post-tensioning works	–	–	2.6	5.1

Our cost of purchases attributed to our sub-contractors varied from year to year due to the nature of our business being conducted on a project basis.

We do not enter into any long term agreements or arrangements with any one of our sub-contractors as this would provide us with the flexibility to evaluate and select more sub-contractors who are able to provide higher quality work at competitive prices.

Save as disclosed above, there is no other sub-contractor whose sales to us accounted for more than 5% of our purchases in FY2010, FY2011, FY2012 and HY2013.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of the major sub-contractors listed above.

As at the date of this Offer Document, save for their interests in quoted or listed equity securities which do not exceed 5% of the total amount of the issued securities in that class for the time being, none of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of the abovementioned major sub-contractors.

GENERAL INFORMATION ON OUR GROUP

CREDIT POLICY

We invoice our customers on a monthly basis in accordance with the progress of the project. We generally provide credit terms of 30 days subject to the provisions of the Building and Construction Industry Security of Payment Act. For new customers, we will carry out discreet enquiries or review their financial statements in order to determine their credit-worthiness.

Trade receivables' turnover days

Our trade receivables' turnover days for FY2010, FY2011, FY2012 and HY2013 are as follows:

	FY2010	FY2011	FY2012	HY2013
Trade receivables' turnover days ⁽¹⁾	2	73	29	29

Note:

- (1) Trade receivables' turnover days is computed as follows:

$$\frac{\text{Average trade receivables balances}}{\text{Revenue}} \times \text{Number of days}$$

Where:

"Average trade receivables balances" is based on the average of the opening and closing trade receivables balances for the relevant financial year/period.

"Number of days" is defined as the number of calendar days in the relevant financial year/period.

The substantial increase in our trade receivables' turnover days from two days in FY2010 to 73 days in FY2011 was due to an increase in trade receivables arising from the increased activities of our subsidiary, Figtree Projects in FY2011. The high trade receivables' turnover days in FY2011 was due to a delay in project funding by one of the customers of Figtree Projects. The outstanding debts incurred in FY2011 were subsequently repaid in FY2012, which resulted in a decrease in our trade receivables' turnover days.

Credit terms granted by our sub-contractors

Payment terms granted by our sub-contractors vary depending on, *inter alia*, our relationship with our sub-contractors as well as the size of the projects. Typical credit terms granted by our sub-contractors is 30 days.

Our trade payables' turnover days for FY2010, FY2011, FY2012 and HY2013 are as follows:

	FY2010	FY2011	FY2012	HY2013
Trade payables' turnover days ⁽¹⁾	—	82	23	3

Note:

- (1) Trade payables' turnover days is computed as follows:

$$\frac{\text{Average trade payables balances}}{\text{Cost of sales}} \times \text{Number of days}$$

GENERAL INFORMATION ON OUR GROUP

Where:

“Average trade payables balances” is based on the average of the opening and closing trade payables balances for the relevant financial year/period.

“Number of days” is defined as the number of calendar days in the relevant financial year/period.

The high trade payables’ turnover days of 82 days in FY2011 was in line with the high trade receivables turnover days in FY2011. Delay in payment from one of the customers of Figtree Projects resulted in corresponding delay in payment to our sub-contractors. The decrease in trade payables’ turnover days from 82 days in FY2011 to 23 days in FY2012 was due to better cash management of our Group following the completion of some projects. The decrease in trade payables’ turnover days from 23 days in FY2012 to three days in HY2013 was mainly due to the implementation of a new policy by our Group to make payment shortly after progress claims are certified. Invoices will only be raised by the sub-contractors and paid off when the progress claims are certified, hence resulting in a low trade payables’ turnover days.

MARKETING AND BUSINESS DEVELOPMENT

Our marketing and business development approach is based on fostering long-term and strong relationships with our customers with a focus on customer retention. We participate in construction projects mainly through invited tenders. There are also instances in which customers approach us independently for proposals in respect of design and construction works required. In the case of invited tenders, invitations are made by customers or consultants, whom we may have dealt with previously or who have been referred to us by other customers or consultants who had worked with us previously. As we rely extensively on our business networks, we conduct informal business development sessions with our customers from existing and past projects in order to enhance our existing relationships and source for business opportunities.

Our overall marketing and business development activities are spearheaded by our Group’s Executive Chairman and Managing Director, Danny Siaw, who is supported by our Executive Officers. Capitalising on our extensive experience in project works as well as our experience in tendering and executing projects, we are often able to propose more cost and time efficient alternatives to our customers’ specifications, thereby enhancing the competitiveness of our tender bids. The main focus of our marketing and business development activities is to maintain customer contacts and to seek out new business opportunities.

INSURANCE

In connection with the projects undertaken by us, we are insured against contractors’ all risks, work injury compensation risks and performance bond/guarantee risks for the duration of the construction period in accordance with the contract requirements. We also maintain group personal accident insurance for our employees.

Our Directors believe that we have adequate insurance coverage for the purposes of our business operations and we will procure the necessary additional insurance coverage for our business operations, properties and assets as and when the need arises. However, significant disruption to our operations or damage to any of our properties, whether as a result of fire and/or other causes, may still have a material adverse impact on our results of operations or financial condition.

GENERAL INFORMATION ON OUR GROUP

INTELLECTUAL PROPERTY

Our Group does not own or use any trademark, patent or other intellectual property which is material to our business or profitability.

LICENCES, PERMITS, APPROVALS, CERTIFICATIONS AND GOVERNMENT REGULATIONS

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business:

Singapore

(a) Licensing of Builders

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. The Building Control Act (Chapter 29) and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for the licensing of builders. Builders who undertake all building works where plans are required to be approved by the BCA and those who undertake works in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution have to be licensed by the BCA. The aim of licensing of builders is to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency and to ensure that building works are carried out only by builders with experienced key personnel to manage the business and properly qualified technical personnel to supervise the execution of the works.

Builders may be licensed under two registers, each of which will be renewable on a three-yearly basis. The two registers are the General Builder Register and the Specialist Builder Register. Under the General Builder Register, there are two categories. General Builder Class 1 allows the builder to undertake general building works of unlimited value and General Builder Class 2 allows the builder to undertake general building works of contract value S\$6 million or less.

As at the Latest Practicable Date, our subsidiary, Figtree Projects, is licensed under General Builder Class 1 until 19 September 2016.

Main contractors licensed under General Builder Class 1 will need to comply with requirements of the Construction Registration of Tradesmen Scheme ("**CoreTrade**") on construction personnel. CoreTrade is a registration scheme, administered by the BCA, for skilled and experienced construction personnel in the various key construction trades. The objective of CoreTrade is to build up a core group of local and experienced foreign workers in key construction trades to anchor and lead the workforce. All General Builder Class 1 contractors carrying out building works with project contract values of S\$20 million and above will be required to deploy a minimum number of CoreTrade personnel in such projects. The main contractor is required to submit the manpower deployment plan within 30 days from the date of the grant of permit to carry out structural works for the project. The manpower deployment plan will set out the number and proportion of registered construction personnel to be deployed for the project, the trades they are deployed in and the schedule of their deployment. The submission of the manpower deployment

GENERAL INFORMATION ON OUR GROUP

plan is mandatory as a condition of the General Builder Class 1 licence and making false declarations could result in penalties being imposed on the contractor. It is the responsibility of the General Builder Class 1 contractor to ensure that the deployment requirements are met.

(b) Contractors' Registry

Registration in the contractors' registry maintained by the BCA is a pre-requisite to tendering for projects in the public sector and the validity for a first time registration is for a period of three years. Registration will thereafter lapse automatically unless a renewal (for a period of three years) is filed and approved by the BCA. Presently, there are seven major categories of registration, some of which are further sub-classified into six to seven grades, depending on the sub-category of registration. Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements relating to, *inter alia*, the value of previously completed projects, sufficient financial resources and the necessary full-time personnel resources stationed in Singapore to undertake the work corresponding to the registration head applied for. The grade assigned to each contractor is also dependent on the contractor's minimum net worth and paid-up capital.

As at the Latest Practicable Date, our subsidiary, Figtree Projects, is registered with the BCA under the category of CW01 for general building with a B2 grading until 1 July 2015. The B2 grading allows Figtree Projects to tender for public sector construction projects of up to S\$13 million.

To maintain Figtree Projects' existing B2 grading under the CW01 category, there are certain requirements to be complied with, including but not limited to the following:

- maintaining a minimum paid-up capital and net worth of S\$1 million;
- employing at least three professional and technical personnel with relevant qualifications, with at least one personnel qualified with a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy by 1 July 2013;
- obtaining certificates such as ISO 9001: 2008, ISO 14000, OHSAS 18000 by 1 July 2013; and
- engaging in general building projects worth at least S\$10 million comprising at least S\$7.5 million worth of main contracts (nominated sub-contracts may be included) and at least S\$2.5 million worth of minimum size single main contract or nominated sub-contract (under CW01 category, the percentage of sub-contract value taken into consideration shall be 50%).

(c) URA and BCA Approval

Every proposed property development in Singapore requires a Written Permission from the URA setting out specific requirements and limits for the development, such as land use, gross plot ratio, building height and building form on the development site. Once the URA has given the Grant of Written Permission, an application will be made to the BCA for the building plan approval in respect of the development. Construction may then commence upon receipt of the notice of approval and permit to carry out structural works from the BCA, in accordance with such approvals. For more details, please refer to paragraph (d) below. In the event that the development site is owned by the JTC, we are also required to obtain approval in respect of the

GENERAL INFORMATION ON OUR GROUP

development from the JTC. As the URA also regulates land use in Singapore, we are also required to apply to the URA for permission in a case where we require changes in the designated use of a development site for the purpose of our projects.

(d) Approval and Execution of Plans of Building Works

Under the Building Control Act (Chapter 29) which is administered by the BCA, the plans of any building works must be submitted to the Commissioner of Building Control (“**CBC**”) for approval and in the case of structural works, a permit must be granted by the CBC prior to carrying out such structural works. Before an application to the CBC for approval of the plans of the building works is made, every person for whom any relevant building works are or are to be carried out, or the builder of such building works, shall appoint either a registered architect or professional engineer (“**Qualified Person**”) to prepare the said plans, and to supervise the building works. The carrying out of concreting, piling, pre-stressing, tightening of high-friction grip bolts or other critical structural works of a prescribed class of building works would also require the supervision of a Qualified Person or a site supervisor appointed by him. Under the Building Control Act, a builder undertaking any building works shall, *inter alia*, (i) ensure that the building works are carried out in accordance with the plans approved by the CBC and supplied to it by the Qualified Person and with any terms or conditions imposed by the CBC; (ii) notify the CBC of any contravention of the Building Control Act or the building regulations relating to those building works; and (iii) within seven days from the completion of the building works, certify that the new building has been erected or the building works have been carried out in accordance with the Building Control Act and the building regulations and deliver such certificate to the CBC.

The Building Control Regulations 2003 sets out certain requirements of the BCA relating to, *inter alia*, design and construction and the installation of exterior features. For example, (i) no person shall, without the permission of the CBC, install any lift in any building; and (ii) an installation of an air-conditioning unit on the exterior of any building or which projects outwards from any building shall be carried out by a trained air-conditioning unit installer.

If the CBC is of the opinion that any building works are carried out in such a manner as (i) will cause, or will be likely to cause, a risk of injury to any person or damage to any property; (ii) will cause, or will be likely to cause, or may have caused a total or partial collapse of the building in respect of which building works are or have been carried out or any building, street or natural formation in close proximity to those building works; or (iii) will render, or will be likely to render, or may have rendered the building in respect of which the building works are or have been carried out or any building, street, slope or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works so unstable or so dangerous that it will collapse or be likely to collapse (whether totally or partially), he may, by order, direct the person for whom those building works have been or are being carried out to immediately stop the building works and to take such remedial or other measures as he may specify to prevent the abovementioned situations from happening.

Under the Fire Safety Act (Chapter 109A) (“**FSA**”) which is administered by the Singapore Civil Defence Force, the person for whom any proposed fire safety works are to be commenced or carried out in any building shall apply to the Commissioner of Civil Defence (“**CCD**”) for approval of the plans of the fire safety works in accordance with the Fire Safety (Building Fire Safety) Regulations and such person shall appoint an appropriate qualified person to prepare those plans. No person shall commence or carry out or permit or authorise the commencement or carrying out of any fire safety works in any building unless the CCD has approved all the plans of the fire safety

GENERAL INFORMATION ON OUR GROUP

works. Upon completion of any fire safety works, the person for whom the fire safety works had been carried out and completed shall apply to the CCD for a fire safety certificate in respect of the completed fire safety works.

Where, in the opinion of the CCD, any fire safety works are carried out or have been carried out in contravention of the Fire Code (as defined in the FSA), the FSA or any regulations made thereunder, he may by order in writing require (i) the cessation of the unauthorised fire safety works until such order is withdrawn; (ii) such work or alteration to be carried out to the unauthorised fire safety works or the building or part thereof to which the unauthorised fire safety works relate as may be necessary to comply with the Fire Code, the FSA or any regulations made thereunder; or (iii) the demolition of the building or part thereof to which the unauthorised fire safety works relate.

In addition, under the FSA, no person shall store or keep, or cause to be stored or kept, any class of petroleum or any flammable material as set out in the First Schedule except (i) in or on premises licensed for the storage or keeping of such petroleum or flammable material; (ii) in such quantities and in such manner and subject to such conditions as may be prescribed; and (iii) under the authority of and in accordance with the provisions of a licence from the CCD and every condition specified therein, and such licence shall be applied for in accordance with the Fire Safety (Petroleum and Flammable Materials) Regulations (“**FS(PFM)R**”).

The FS(PFM)R requires an owner who intends to store or keep petroleum or flammable material at his premises to apply for a licence to store or keep such petroleum or flammable material. A separate licence shall be required for each particular premises at which the petroleum or flammable material are to be stored or kept. However, storage licence is not required if the quantity stored or kept is below certain licence exemption quantity.

(e) Workplace Safety and Health

The Workplace Safety and Health Act (Chapter 354A) (“**WSHA**”) provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons, ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work. The relevant regulatory body is the MOM.

Under the WSHA, inspectors appointed by the the Commission for Workplace Safety and Health (“**CWSH**”) may, *inter alia*, enter, inspect and examine any workplace and any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with. Under the WSHA, the CWSH may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any

GENERAL INFORMATION ON OUR GROUP

person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, *inter alia*, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

On 18 March 2013, our subsidiary, Figtree Projects, was issued with a partial stop work order by the MOM as a result of a collapsed formwork structure constructed by one of its sub-contractors at the work site for our project at 9 Jurong West Street 22 ("**Jurong West Incident**"). The stop work order was in effect from 13 March 2013 and was lifted on 8 April 2013, when all the safety concerns highlighted by the MOM in the partial stop work order were rectified.

As at the Latest Practicable Date, there is no existing stop work order.

The MOM has also introduced a demerit points scheme for the construction industry as a means to encourage construction contractors to improve workplace safety and health records. Under this scheme, construction main contractors and sub-contractors will be issued with demerit points for breaches under the WSHA and the relevant subsidiary legislation. The number of demerit points issued will depend on the severity of the infringement. Contractors who receive more than 18 demerit points within a 12-month rolling period will receive a formal warning from the MOM, while the continued accumulation of demerit points will result in more stringent corrective actions such as the limiting of access to work permit holders for a specified period. Recalcitrant contractors may also risk having their applications for new and/or renewal of all types of work passes for foreign employees rejected by the MOM. A contractor that has been issued with demerit point(s) will be informed in writing by the MOM. Each demerit point is valid for 12 months.

The table below sets out the penalties that apply to the accumulation of demerit points by main contractors:

First Stage	A warning letter will be issued to the main contractor if the total points accumulated by the company exceeds 18 demerit points within a 12-month rolling period.
Second Stage	<p>The following will apply to an individual worksite if the total points accumulated by the worksite exceed 18 demerit points:</p> <ul style="list-style-type: none">• six-month MYE freeze for 1st occurrence;• 12-month MYE freeze for second occurrence (within 12 months of the 1st occurrence); and• 24-month MYE freeze for third or subsequent occurrences (within 12 months of the previous occurrence) <p>A main contractor will have its records cleared when all its worksites do not accumulate any demerit points for a rolling period of 12 months.</p>

GENERAL INFORMATION ON OUR GROUP

Third Stage A 24-month MYE freeze will be extended to all worksites under the company if three of its worksites have each accumulated more than 18 demerit points within any 12-month period, that is, the company's MYE has been frozen three times within a year.

Applications from the company for new and renewal of all types of work passes for all foreign employees will also be rejected.

For the periods under review and up to the Latest Practicable Date, our subsidiary, Figtree Projects, has been issued with a total of five demerit points as a result of the Jurong West Incident, and has not received any further demerit points from the MOM since then.

More specific duties imposed on an employer and/or occupier of a workplace are laid out in various subsidiary legislation, including:

Workplace Safety and Health (General Provisions) Regulations (“WSHR”)

Under the WSHR, additional duties imposed include, *inter alia*, (i) taking effective measures to protect persons at work from the harmful effects of exposure to any infectious agents or biohazardous material which may constitute a risk to their health; (ii) ensuring that while work is carried out in the workplace, the workplace is not overcrowded so as to pose safety and health risks to persons at work therein; (iii) ensuring that every workroom of the workplace is provided with adequate ventilation; (iv) providing and maintaining sufficient and suitable lighting, whether natural or artificial, in every part of the workplace in which persons are at work or passing; and (v) in any workplace where persons are at work in any process or operation which involves exposure to vibration which may constitute a risk to their health, providing, so far as it is reasonably practicable, effective means to reduce the vibration.

Pursuant to the WSHR, the following equipment, *inter alia*, are required to be tested and examined by an examiner (“**Authorised Examiner**”), who is authorised by the CWSH, before they can be used in a workplace and thereafter, at specified intervals:

- hoist or lift;
- lifting gears; and
- lifting appliances and lifting machines.

Upon examination, the Authorised Examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSHR, it is the duty of the owner of the equipment/occupier of the workplace to ensure that the equipment complies with the provisions of the WSHR and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

GENERAL INFORMATION ON OUR GROUP

Workplace Safety and Health (Registration of Factories) Regulations 2008 (“2008 WSH Factories Regulations”)

Under the 2008 WSH Factories Regulations, any person who desires to occupy or use any premises where any building operation or works of engineering construction is or are being carried out by way of trade or for the purposes of gain is required to register the premises (or worksite) as a “factory” with the CWSH.

In particular, such occupiers must apply to the CWSH to register the worksite as a “factory” one month before the works begin and depending on level of risks in the factories, either a one-time registration or a renewable registration regime will apply. Under the one-time registration regime, certificates of registrations will remain valid throughout the lifetime of the factory unless it is revoked. Construction sites fall within the one-time registration regime and such factories need to (i) declare that the factory has implemented risk management at the point of registration and (ii) conduct safety and health management system audit/internal review within two months from the commencement of work. An audit done by the work health safety auditors is required for any worksite with a contract sum of S\$30 million or more at least once every six months. An internal review of at least once every six months would suffice for any worksite with a contract sum of less than S\$30 million.

As at the Latest Practicable Date, we have obtained the necessary Certificates of Factory Registration under the 2008 WSH Factories Regulations for all our construction worksites.

Workplace Safety and Health (Construction) Regulations 2007 (“WSHCR”)

Additional duties under the WSHCR include appointing a workplace safety and health co-ordinator in respect of every worksite where the contract sum of the building operation or works of engineering construction carried out therein is less than S\$10 million to assist to identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and recommend to implement reasonably practicable measures to remedy the unsafe condition or unsafe work practice.

(f) Work Injury Compensation

The Work Injury Compensation Act (Cap. 354) (“WICA”), which is regulated by the MOM, applies to all employees (with the exception of those set out in the Fourth Schedule of the WICA) who have entered into or work under a contract of service or apprenticeship with an employer, in respect of injury suffered by them arising out of and in the course of their employment and sets out, *inter alia*, the amount of compensation that they are entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the Third Schedule of the WICA, subject to a maximum and minimum limit.

The WICA provides, *inter alia*, that, where any person (referred to as the principal) in the course of his business or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

GENERAL INFORMATION ON OUR GROUP

(g) Employment of Foreign Workers

The availability and the employment cost of skilled and unskilled foreign workers are affected by the Singapore Government's policies and regulations on the immigration and employment of foreign workers in Singapore. The conditions and requirements are set out in, *inter alia*, the Employment of Foreign Manpower Act (Chapter 91A) ("**EFMA**"), which is regulated by the MOM. In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained, in respect of the foreign employee, a valid work pass from the MOM, which allows the foreign employee to work for him.

The availability of the foreign workers to the construction industry is also regulated by the MOM through the following conditions and requirements:

(i) Approved source countries

The approved source countries for construction workers are Malaysia, the PRC, Non Traditional Source ("**NTS**") and North Asian Sources ("**NAS**"). NTS countries consist of India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries consist of Hong Kong Special Administrative Region, Macau Special Administrative Region, South Korea and Taiwan.

(ii) Dependency ceiling based on the ratio of local to foreign workers

The number of foreign workers that an employer is allowed to hire is limited by dependency ratio ceiling/quota and subject to levy. The dependency ratio ceilings/quotas are applied to all S Pass and work permit holders and its purpose is to encourage employers to hire local employees. The dependency ceiling/quota for the construction industry is currently set at a ratio of one full-time local worker to seven foreign workers. Once an employer has exceeded his quota, new applications and renewals of the work passes of his existing foreign workers (both Work Permit and S Pass) may be rejected as a result. If an employer has persistently exceeded his quota, the MOM will cancel the work passes in excess of his quota.

(iii) The imposition of foreign worker levies and levy bonds

The employment of foreign workers is also subject to the payment of levies. The amount of foreign worker levy currently payable for construction workers is set out in the table below:

Category	Monthly levy payable
Higher skilled workers who are registered with CoreTrade or issued with trade certifications recognized by the BCA with at least four years of construction experience in Singapore or construction workers under the Multi-Skilled Scheme	S\$300
Basic skilled workers with Sijil Pelajaran Malaysia and/or BCA's Skills Evaluation Certificate or Skills Evaluation Certificate (Knowledge)	S\$450
Higher skilled and experienced workers who are exempted from MYE and have at least two years of working experience in Singapore in the relevant sector that they are employed under	S\$600
Basic skilled and experienced workers who are exempted from MYE and have at least two years of working experience in Singapore in the relevant sector that they are employed under	S\$750

GENERAL INFORMATION ON OUR GROUP

However, the Singapore Government announced increases in the foreign workers' levy for Budget 2011, which will be phased in at six-monthly intervals from 1 January 2012 to 1 July 2013. Most recently, the Singapore Government announced further increases in the foreign workers' levy for Budget 2013, where foreign workers levies for work permit and S Pass holders will be increased for all sectors in 2014 and 2015.

The following categories of employers in the construction sector will need to provide a levy bond for each NTS or PRC worker employed:

- Employers whose workers' work permits are cancelled for not paying levy;
- Employers who have been late in levy payments for at least three times within a 12-month period;
- Change of owner in an existing sole proprietorship; or
- New construction companies starting up as a sole proprietorship, partnership or companies with paid up capital of less than \$50,000 and is applying for prior approval to recruit foreign workers for the first time.

Employers are required to provide a levy bond based on the number of NTS and/or PRC workers employed. Most levy bonds have a validity period of 12 months, except for new companies, which is six months. The levy bonds will be released after the validity period if the company makes prompt levy payment during this period. As at the Latest Practicable Date, the levy bond for the construction sector is set out below:

Category	Levy bond
Basic Skilled and Higher Skilled	S\$600
Unskilled	S\$2,000

(iv) MYE allocation system

Employers are subject to MYE when employing workers from NTS countries and PRC for construction projects. MYE reflects the total quota of foreign construction workers allocated to a main contractor (being a company that contracts a project directly from the developer or owner) for a specific construction project. Based on the value of projects/contracts awarded by developers/owners, main contractors are allocated a number of man-years (one man-year is equivalent to one year of employment under a work permit) required to complete a project, and a number of foreign workers it is entitled to employ.

NTS or PRC construction workers, who have worked with an employer for a cumulative period of two or more years in the construction industry, may be hired by the main contractor without need for MYE. Instead, a levy will be imposed on these workers. Main contractors cannot allocate or sell their MYE to other contractors not involved in the same project. Main contractors which do so will be barred from applying for new work permits in the future.

To employ NTS and PRC construction workers, the employer must make an application for MYE, Prior Approval ("PA") and In-Principle Approvals ("IPA") for individual work permits.

GENERAL INFORMATION ON OUR GROUP

Only main contractors may apply for MYE. All sub-contractors must obtain their MYE allocation from the main contractor. As our subsidiary, Figtree Projects, is a main contractor which employs and manages sub-contractors to carry out different types of work in its projects, these sub-contractors will have to obtain their MYE allocation from us. A main contractor can award any number of MYE to the sub-contractor so long as it is within the number of MYE allocated to it.

At the time of the MYE application, (i) the main contractor must have a valid CPF account for construction work permit applications in the company's name; (ii) the project has a balance duration of at least one more month; and (iii) the total remaining contract value of the project must be at least S\$500,000. MYE are allocated through a PA application. MYE will expire on the date of completion of the relevant project. However, the main contractor may request to extend the MYE validity period if the project's completion date has been extended. As MYE are given based on a project's value, a main contractor can request for an increase if the project value has increased due to additional work or variation order(s) awarded to the developer.

PA indicates the number of foreign workers a company is allowed to bring in from NTS countries and the PRC and also determines the number of workers who can have their work permits renewed, or who can be transferred from another company in Singapore. PA must be applied for prior to submitting work permit applications.

The BCA also requires all new workers in the construction sector from NTS countries and the PRC who have been approved under the prior approval scheme to possess either the Skills Evaluation Certificate (“**SEC**”) or the Skills Evaluation Certificate (Knowledge) (“**SEC(K)**”) before they are allowed to work in Singapore. These schemes are initiated by the BCA to raise the skill levels and productivity of the construction workforce, as well as to enhance safety in the construction sector. All workers from NAS countries must possess either the SEC or SEC(K) and all Malaysian workers must possess either secondary four education or its equivalent, the SEC or SEC(K) before they are allowed to work in Singapore.

In addition, before employers are allowed to employ construction workers from the approved source countries, IPA have to be sought for each individual's work permit. The foreign construction worker is required to undergo a medical examination by a Singapore registered doctor within 14 days of arrival (including Sunday/Public Holidays) and must pass such medical examination before a work permit can be issued to him.

An employer of foreign workers is also subject to, *inter alia*, the provisions set out in the Employment Act (Chapter 91), the EFMA, the Immigration Act (Chapter 133) and the regulations made thereunder.

(h) Environmental Laws and Regulations

The Environmental Public Health Act (Chapter 95) (“**EPHA**”) as regulated by the National Environment Agency (“**NEA**”) requires, *inter alia*, a person who, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. The EPHA also regulates, *inter alia*, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Ministry of Environment and Water Resources has empowered the Director-General of Public Health to serve a nuisance order on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any premises or part thereof of such a construction or in such a state as to be a nuisance or injurious or dangerous to health, any factory or workplace which is not kept in a clean state and any place

GENERAL INFORMATION ON OUR GROUP

where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety. The EPHA also requires the occupier of any construction site to employ a competent person to act as an environmental control officer in the construction site for the purpose of exercising general supervision within the construction site of the observance of the provisions of, *inter alia*, the EPHA and any regulations made thereunder.

The Environmental Protection and Management Act (Chapter 94A) (“**EPMA**”) seeks to provide for the protection and management of the environment and resource conservation by regulating, *inter alia*, air pollution, water pollution, land pollution and noise control. The EPMA provides that no principal contractor of a construction site who has control of the construction site shall permit any person from, *inter alia*, (i) using any or any class of combustible material or fuel burning equipment within such area or premises as may be designated and at such times as may be specified in the order; (ii) discharging any trade effluent, oil, chemical, sewage or other polluting matters into any drain or land without a written permission from the Director-General of Environmental Protection; and (iii) discharging or causing or permitting to be discharged any toxic substance or hazardous substance into any inland water so as to be likely to cause pollution of the environment.

In addition, the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations (“**EPM(CNCS)R**”) provides that the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels set out in the EPM(CNCS)R.

On 25 June 2013, our subsidiary, Figtree Projects, was issued with a Notice to Attend Court by the NEA in relation to a mosquito breeding offence committed under Section 17(1) of the Control of Vectors and Pesticides Act (Chapter 59) at the work site for our project at 9 Jurong West Street 22. The offence was compounded for S\$2,000, full payment of which has since been made. On 30 September 2013, the NEA issued Figtree Projects with another Notice to Attend Court in relation to a mosquito breeding offence which had been detected again at the work site for our project at 9 Jurong West Street 22. The offence was compounded for S\$5,000, full payment of which has since been made. On 16 October 2013, the NEA notified Figtree Projects that mosquito breeding had been detected at the work site for our project at Jalan Buroh. As at the date of this Offer Document, we have yet to receive any compoundable notice from NEA in relation to this incident.

Save as disclosed above, as at the Latest Practicable Date, we are not aware of any material non-compliance with existing environmental laws and regulations that will adversely affect our Group’s operations.

(i) Building and Construction Industry Security of Payment Act

The Building and Construction Industry Security of Payment Act (Chapter 30B) (“**BCISPA**”), regulated by the BCA, confers a statutory entitlement to progress payments on any person who has carried out any construction work or supplied any goods or services under a contract. The BCISPA also contains provisions relating to, *inter alia*, the amount of progress payments to which a person who has carried out any construction work is entitled under a contract, the valuation of the construction work carried out and the date on which a progress payment becomes due and payable (even where a construction contract does not provide for such date). In addition, the BCISPA, *inter alia*, endorses the following rights:

GENERAL INFORMATION ON OUR GROUP

- (i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;
- (ii) the right of a claimant to suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication as if it were a judgment debt, if such claimant is not paid after it obtains judgment against the respondent pursuant to an adjudication; and
- (iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment as a debt due from the respondent.

As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals have been suspended, revoked or cancelled and to the best of our knowledge and belief, we are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of, any of these licences, permits and approvals to be rejected by the relevant authorities. Save as disclosed above, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore.

Malaysia

(a) Business Premise Licences

Business premise licences/signboard licences are issued by the respective state local authorities in Malaysia. License for the business premise is intended for business carried out at shop lots buildings, shop, commercial complex, industrial workshop, dwelling house (for business nursery and kindergarten only) including on vacant land. The business premise licence is required in respect of signages and billboards displayed outside the premises where business is carried on. The requirements for the application of a business premise licence may vary according to each local authority in Malaysia.

As at the Latest Practicable Date, Figtree Malaysia does not have a place of business in Malaysia and has not applied for any business premise licence. Accordingly, in the event Figtree Malaysia takes up a place of business in Malaysia, it must apply for a business premise licence.

(b) Laws pertaining to the Construction Industry

The construction industry in Malaysia is subject to the regulation of the Construction Industry Development Board established under the Construction Industry Development Board Act 1994. The Act governs contractors who carry out construction works and construction works therein refers to:-

GENERAL INFORMATION ON OUR GROUP

“the construction, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling, or demolition of:-

- (a) any building, erection, edifice, structure, wall, fence or chimney, whether constructed wholly or partly above or below ground level;
- (b) any road, harbour works, railway, cableway, canal or aerodrome;
- (c) any drainage, irrigation or river control works;
- (d) any electrical, mechanical, water, gas, petrochemical or telecommunication works; or
- (e) any bridge, viaduct, dam, reservoir, earthworks, pipe-line, sewer, aqueduct, culvert, drive, shaft, tunnel or reclamation works,

and includes any works which form an integral part of, or are preparatory to or temporary for the works described in paragraphs (a) to (e), including site clearance, soil investigation and improvement, earth-moving, excavation, laying of foundation, site restoration and landscaping”.

As Figtree Malaysia’s principal activity is project management consultancy services for the construction industry, it does not fall within the scope of construction works in the Construction Industry Development Board Act 1994 and is not required to be registered with the Construction Industry Development Board. Accordingly, Figtree Malaysia must register with the Construction Industry Development Board prior to undertaking any construction works in Malaysia.

(c) Laws pertaining to Employment and Occupational Health and Safety

The main legislation that governs employment in Malaysia are as follows:-

- Employment Act 1955; and
- Industrial Relations Act 1967

Employers are, however, advised to bear in mind the following legislation:

- Employees Provident Fund Act 1991
- Employees’ Social Security Act 1969

The provisions of these Acts are applicable to all industries and persons categorized as qualifying or falling within the applicable categories of each such Act. The Employment Act 1955 (“**EA 1955**”) provides for the rights of employees and sets out restrictions within which employers are required to operate for the benefit of the employees. The EA 1955 provides, inter alia, for provisions relating to:-

- the payment of wages, e.g. time for payment of wages, payments on termination of contracts, lay-off and retirement benefits;
- the contracts of service, e.g., requiring contracts to be in writing, making provision for termination of contracts, construction of contracts;
- rest days, hours of work, holidays;

GENERAL INFORMATION ON OUR GROUP

- employment of women and maternity protection provisions, and
- other matters for the due regulation of human resources.

The Industrial Relations Act 1967 (“**IRA 1967**”) is an Act to promote and maintain industrial harmony and to provide for the regulation of the relations between employers and workmen and their trade unions and the prevention and settlement of any differences or disputes arising from their relationship and generally to deal with trade disputes and matters arising therefrom. The Industrial Court is formed under the provisions of the IRA 1967 and the Industrial Court is the primary forum for resolution of labour disputes relating to dismissals in Malaysia.

The Employees Provident Fund Act 1991 and the Employees’ Social Security Act 1969 respectively are Acts to provide for the law relating to a scheme of savings for employees’ retirement and the management of the savings for retirement purposes and to provide for the establishment of a social security fund to be utilized by contributors in certain contingencies.

The Occupational Safety and Health Act 1994 (“**OSHA**”) is designed to make provision for securing safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, to establish the National Council for Occupational Safety and Health and for matters connected therewith. Figtree Malaysia would be obliged under the provisions of OSHA to ensure that any place of work that it maintains in Malaysia is safe and without risks to health.

(d) Laws pertaining to Environment

As Figtree Malaysia’s stated principal business is project management consultancy and it has no permanent place of business, the Environmental Quality Act 1974 and other such laws relating to the environment would not be directly applicable to the present manner of Figtree Malaysia’s conduct of its ordinary course of business. Accordingly, in the event Figtree Malaysia changes its principal business activity and/or takes up a permanent place of business, the relevant laws pertaining to the environment may apply.

PRC

We have a PRC subsidiary, Figtree Shanghai. Set out below are the main laws and regulations that materially affect its operations in PRC, apart from those pertaining to general business requirements.

(a) MOC Approval

The establishment of a Sino-foreign equity joint venture enterprise (“**EJV**”) in China is subject to the approval of the Ministry of Commerce of the People’s Republic of China (“**MOC**”). The Law of the People’s Republic of China on Sino-Foreign Equity Joint Ventures 《中华人民共和国中外合资经营企业法》 promulgated by the National People’s Congress on 15 March 2001, and the Regulations for the Implementation of the Law of the People’s Republic of China on Joint Ventures Using Chinese and Foreign Investment 《中华人民共和国中外合资经营企业法实施条例》 promulgated by the State Council on 22 July 2001, set out the requirements for establishing an EJV.

GENERAL INFORMATION ON OUR GROUP

The approval mechanism for an EJV aims to ensure that an EJV is in accordance with the nation's provisions on guiding the direction of foreign investment and the Catalog of Industries for Guiding Foreign Investment 《外商投资产业指导目录》, which divides industries into four categories – encouraged, permitted, restricted, and prohibited.

As at the Latest Practicable Date, Figtree Shanghai has obtained the approval certificate issued by Shanghai MOC.

(b) Qualification Certificate of Construction Enterprises

Under the Administrative Provisions for Foreign-Invested Construction Enterprises 《外商投资建筑业企业管理规定》 which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (“MOHURD”) and the MOC on 27 September 2002, a foreign-invested enterprise intending to engage in construction activities within the territory of the PRC shall first obtain a Construction Enterprise Qualification Certificate issued by the MOHURD or its counterparts with jurisdiction.

In addition, under the Construction Law of the People's Republic of China promulgated by the Standing Committee of the National People's Congress on 1 November 1997, enterprises engaged in construction activities shall employ specialized technicians with proper business qualification certificates for conducting construction activities they are engaged in.

The definition of the aforesaid “construction activities”, according to the relevant PRC laws, is new construction, expansion and reconstruction of civil works, construction projects, pipelines and equipment erection as well as decoration projects conducted in the PRC.

Figtree Shanghai's main business, according to its business license, is “construction project consulting”, which does not fall within the scope of “construction activities” mentioned above. It is therefore not required to obtain a Construction Enterprise Qualification Certificate, nor hire employees with proper qualification certificates. Accordingly, Figtree Shanghai must register with the MOHURD and obtain a Construction Enterprise Qualification Certificates as well as hire employees with proper qualification certificates prior to undertaking any construction works in the PRC.

(c) Construction Project Management

According to the competent PRC laws, an enterprise engaging in construction project management shall obtain qualifications before conducting any business and hire technical personnel with proper practicing qualifications as well.

The relevant PRC law defines “construction project management” as the specialized management and services provided by an enterprise engaging in construction project management for the whole process of construction or by stages upon entrustment by the construction engineering project owner. A construction project management enterprise shall obtain one or more of the qualifications for engineering survey, design, construction, supervision, construction cost consulting, bidding agency, etc.

Figtree Shanghai, according to its business scope, engages in “project management consulting” and has not conducted any business except entering into four construction management consulting agreements since its incorporation, which focus on consulting service as opposed to “construction project management”. Under PRC law, it is possible to engage in “construction

GENERAL INFORMATION ON OUR GROUP

project management consulting” without any qualification for construction project management. However, if Figtree Shanghai expands its business to “construction project management” in the future, proper qualifications may be required.

(d) Import and Export

Under PRC law, any operator intending to undertake the import or export of goods shall first go through the archival filing and registration with the MOC or the local counterparts. Though the business scope of Figtree Shanghai includes the import and export of goods, it is not required to conduct the aforesaid archival filing and registration until it embarks on import and export business.

According to the PRC Import and Export laws and regulations, in most cases import and export of goods are freely permitted though it may be subject to an automatic import licence for recording purpose. However, stricter rules apply to the import and export of those prohibited or restricted by the law and/or regulations. Generally, prohibited goods cannot be imported or exported, and the import or export of restricted goods may be subject to regulations such as quota management, import licence and export licence. If Figtree Shanghai engages in the import and export business in the future, it shall apply for proper licences or quota as applicable.

As at the Latest Practicable Date, to the best of our Directors’ knowledge and belief, our Group has obtained all material certifications, approvals and licences necessary for our current operations.

RESEARCH AND DEVELOPMENT

The nature of our business does not require us to carry out any significant research and development activities.

However, our staff continually update themselves on the new developments in the industry. Our staff also attend relevant courses organised by the BCA on construction methodology and design to keep abreast with latest developments. For more information, please refer to the section entitled “General Information on our Group – Staff Training” of this Offer Document.

SEASONALITY

Due to the nature of our business which is project-based, we have not observed any significant seasonal trends within each of the financial periods under review. Our Directors believe that there is no apparent seasonality factor affecting the construction industry in the regions where we operate.

STAFF TRAINING

Our Group believes that our employees are an invaluable asset to our Group and key to our future growth. We believe that it is essential that our employees are equipped with the relevant knowledge, skills and technical know-how. Therefore, we provide orientation programmes and on-the-job training for our new staff, under the close supervision of the project manager-in-charge. In addition, given the competitive nature of the construction industry, we have to focus on improving efficiency. This is achieved by regular internal and external training for our employees so as to maximise their productivity and efficiency.

GENERAL INFORMATION ON OUR GROUP

The need for training for all employees in the fast changing environment, which is regularly assessed by our Executive Officers, arises when:

- the employee's job description or responsibilities is changed due to job enrichment or job enlargement;
- new technology, equipment or machinery is introduced;
- management system is updated or changed; or
- there are changes in laws and regulations which affect our Group's operations.

In addition, we provide various types of training programmes to our employees according to their job scopes and functions. Such training include courses on workplace safety, construction safety, human resources, working skills upgrades and the relevant statutory requirements and building regulations as required by the industry and the relevant authorities. In addition, supervisory and senior executives are further sent for external training courses and seminars on operations supervision and management development.

As part of an overall programme to improve the productivity of the construction industry in Singapore, the BCA has formulated a plan to move the industry towards the widespread adoption of Building Information Modelling ("**BIM**"), a new three dimensional modelling technology that allows the building professionals of various disciplines to explore the building project digitally before it is built and in the process improve on the design and avoid abortive work. The BCA will mandate electronic submissions in BIM format for architectural, structural and M&E plans for building works for regulatory approval by 2015, starting with architectural electronic submissions in 2013. As at the Latest Practicable Date, some of our employees in our project team are trained in BIM.

Since most of our training is either conducted in-house or government-subsidised, the expenses incurred in relation to external staff training for each of the last three financial years ended 31 December 2010, 2011 and 2012 and for the six-month financial period ended 30 June 2013 were not material.

COMPETITION

We operate in a highly competitive environment and we are subject to intense competition from existing players and new entrants to the industry.

To the best of our knowledge, we consider our main competitors in our design and build business to be other contractors specialising in the design and build of industrial properties, including Boustead Projects Pte Ltd, Bovis Lend Lease Pte Ltd, Soilbuild Construction Group Ltd. and Jian Huang Construction Co Pte Ltd. In relation to our design and build business, we generally compete on price as well as design solutions.

To the best of our knowledge, in relation to our proposed property development business, we believe that the property development market is fragmented and our competitors will be dependent on the area where the property to be developed is located. In this business segment, we believe that we will generally compete on price.

GENERAL INFORMATION ON OUR GROUP

As at the date of this Offer Document, save for their interests in quoted or listed equity securities which do not exceed 5% of the total amount of the issued securities in that class for the time being, none of our Directors or Substantial Shareholders or their Associates is related to or has any interest in any of our competitors listed above.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have enabled and will continue to enable us to harness the growth potential of our Group and to compete effectively in the construction industry in the countries which we operate:

We have an established track record in the construction industry

We believe that we have established our reputation as a reliable and proven design and build contractor in the construction industry. Our established track record has enabled us to gain our customers' confidence in our services and this is evident from the continuing business relationships we have with our external consultants and sub-contractors. The reliability of our services, our technical expertise, our products and our ability to deliver quality projects promptly at competitive prices have also ensured that we have repeat businesses, recommendations and referrals from customers. Please refer to the section entitled "General Information on our Group – Projects Undertaken by Our Group" of this Offer Document for further information on our completed projects and projects currently in progress.

We have established strong business relations with our customers and sub-contractors

We believe that cultivating and maintaining excellent business relations with our customers and sub-contractors is critical to our success. We are committed to consistently deliver our projects and services to the satisfaction of our customers and to build up strong relations with our sub-contractors. To this end, we have maintained good relationships with our customers and sub-contractors by delivering quality services, completing projects on time and making regular visits and having periodic meetings with our customers and sub-contractors.

In addition, we seek to continuously improve our service standards and operating efficiency. As a result, we have established strong business relations with our customers and sub-contractors which generate repeat business.

We have a committed, qualified and experienced management team and support staff

Our success is supported by our committed, qualified and experienced management team, led by our Executive Directors, Danny Siaw and Tan Chew Joo, who have, in aggregate, more than 50 years of experience in the design and build industry. Their extensive experience in the design and build industry enables our Group to identify new opportunities and to grow our business. This gives us an advantage over competitors and new startups.

Our management team is supported by a pool of committed staff including designers, project managers, project engineers, M&E coordinators, site supervisors, safety supervisors and quantity surveyors. We encourage continuous professional development, and our management team attend frequent training and educational programmes to update themselves on management techniques and the latest market developments pertaining to our business. We also place strong emphasis on training programmes for our employees to ensure that they are updated on the latest

GENERAL INFORMATION ON OUR GROUP

safety and building regulations and technological development. For more information, please refer to the sections entitled “General Information on our Group – Staff Training” and “Directors, Management and Staff” of this Offer Document.

We are able to provide integrated design solutions to our customers

We have an in-house design team who have expertise in architectural design, structural design and M&E solutions. We are therefore able to provide a faster turn-around time to our customers as well as provide integrated cost and time efficient design solutions to our customers.

We believe that our ability to provide integrated design solutions to our customers reduces our reliance on external third parties and enables us to ensure that our resources are efficiently utilised. Accordingly, we believe that we are able to offer a comprehensive suite of services to our customers at a more cost competitive pricing.

PROPERTIES AND FIXED ASSETS

The following table sets out the properties leased by our Group as at the Latest Practicable Date.

Tenant/ Lessee	Location	Approximate Gross Floor Area (sq m)	Tenure	Monthly Rental (S\$)	Description of Use	Lessor/ Sublessor
Figtree Projects	315 Outram Road #13-10 Tan Boon Liat Building Singapore 169074 ⁽¹⁾	152	1 April 2012 to 31 March 2014	3,200	Office	Lim Ban Hong and Lim Eng Hong
Figtree Shanghai	Room 461, Block 2, No. 1800 Baoyang Rd. Baoshan District, Shanghai, PRC	15	1 September 2010 to 31 August 2030	— ⁽²⁾	Office	Shuya (Shanghai) Construction & Installation Engineering Pte. Ltd.
Figtree Shanghai	Room 403, Block 10, No. 990 Dalian Rd. Yangpu District, Shanghai, PRC	177	1 May 2011 to 30 April 2014	— ⁽³⁾	Office	Sim Hee Chew ⁽³⁾

Notes:

- (1) Figtree Projects does not intend to renew this lease as it has, on 26 August 2013, entered into sale and purchase agreements to purchase the New Office for office use from Link (THM) Biz KB Pte. Ltd. for an aggregate purchase consideration of approximately S\$3.53 million. As at the date of this Offer Document, Figtree Projects has taken possession of the New Office but has yet to receive the title to the New Office. The New Office has a leasehold tenure of 99 years commencing from 1 July 1962 and an aggregate strata area of 4,661 sq ft. As Figtree Projects has obtained a 10-year term loan of approximately S\$2.12 million from DBS Bank Ltd. to partially finance the purchase of the New Office, the New Office will be mortgaged to DBS Bank Ltd..
- (2) No rental is being paid for this property as this is a virtual registration address for Figtree Shanghai.
- (3) No rental is being paid for this property as Figtree Shanghai is only utilising a small portion of this property, which is owned by Sim Hee Chew, who is a supervisor of Figtree Shanghai.

Our fixed assets consisting of furniture and fittings, office equipment and computers, motor vehicles and properties had a net book value of approximately S\$3.70 million as at the Latest Practicable Date.

GENERAL INFORMATION ON OUR GROUP

To the best of our Directors' knowledge and belief, there are no regulatory requirements that may materially affect our Group's utilisation of tangible fixed assets.

AWARDS AND CERTIFICATIONS

As a testament of our commitment to quality, our Group has received several awards and certifications, some of which are set out below.

Year	Awarding Organisation	Award/Certification
2013	DP Information Group (part of the Experian Group)	Singapore SME 1000 Company 2013
2011	British Standards Institution	BS OHSAS 18001:2007 (certificate of registration with regard to Occupational Health & Safety Management System)
2011	British Standards Institution	ISO 14001:2004 (certificate of registration with regard to Environmental Management System)
2011	British Standards Institution	ISO 9001:2008 (certificate of registration with regard to Quality Management System)

PROSPECTS

Our Directors have observed that the growth of the property market and the construction industry are generally linked to economic growth, local and global developments in relation to inflation, price of raw materials, bank interest rates, government policies and regulations and other conditions which may impact economic, regulatory, political and social stability. Barring any unforeseen circumstances, our Directors believe that we can continue to grow and the general economic outlook and the performance of the property market and construction industry of the countries which we operate in, particularly Singapore, Malaysia and the PRC, are key factors affecting the growth of our business.

Construction and property market outlook

Singapore

In Singapore, it is expected that construction demand will be supported by housing and infrastructure construction projects that are planned by the Singapore Government to meet the needs of the growing population. Our Directors believe that such demand for housing and infrastructure construction projects reflects a continued and sustained level of demand for construction services for the next few years. In addition, our Directors also believe that the Singapore Government will release more commercial space to meet the potential demand for industrial land and to moderate industrial land prices. It is expected that such increased supplies of commercial space will lead to an increased volume of commercial space projects available for tender.

GENERAL INFORMATION ON OUR GROUP

Malaysia

In Malaysia, the construction industry, driven by projects under the Economic Transformation Programme (“ETP”), is expected to continue to grow. Under the ETP, many mega industrial projects are being implemented including Tanjong Agas Oil & Gas and Logistics Industrial Park, Malaysia-China Kuantan Industrial Park and Kerteh BioPolymer Park and the implementation of industrial clusters and industrial projects in Malaysia’s Regional Economic Corridors such as the Iskandar Malaysia, the Northern Corridor Economic Region and the East Coast Economic Region is expected to stimulate demand for more industrial properties.

The PRC

In the PRC, the rapid growth of the e-commerce sector and third party logistics operators has led to an increase in demand for modern warehouse facilities that are well constructed, completed with loading docks and vehicle accessibility to store and ease the distribution of goods. However, there is a lack of such modern warehouse facilities. This lack of supply has led to an increase in rentals. Driven by the increase usage of smartphones and other wireless mobile devices, the PRC’s online population is expected to continue to grow. In order to meet the expanding number of online consumers and rising domestic consumption, it is expected that more warehouse facilities are needed.

Our Directors believe that there are long-term prospects for the real estate markets in the Asia Pacific region, in particular, Singapore and the PRC as our Directors believe that these two markets are underpinned by a growing population, rising disposable income and improving consumption patterns. In addition, investor sentiment in the Asia Pacific region has remained fairly positive given the region’s brighter economic prospects relative to the United States and Europe, and our Directors believe that stable consumption and urbanisation will lead to positive demand for retail and industrial property.

TREND INFORMATION AND ORDER BOOK

Based on our Directors’ knowledge and experience of the industry, our Directors have observed the following trends for the current financial year:

(a) Increase in labour costs

We expect that our sub-contracting costs will gradually increase in line with general inflation and increases in foreign workers’ levies. The Singapore Government announced increases in foreign workers’ levies for Budget 2011, which will be phased in at six-monthly intervals from 1 January 2012 to 1 July 2013. Most recently, the Singapore Government announced further increases in the foreign workers’ levies for Budget 2013, where foreign workers’ levies for work permit and S Pass holders will be increased for all sectors in 2014 and 2015. As a result of the increase in foreign worker levies, the construction industry which is reliant on a strong foreign workforce, will see their bottom line being affected.

Labour costs will also increase further due to a reduction in MYE. To further the objectives of improving productivity and reducing reliance on foreign workers, cumulative MYE cuts will be raised to 45% by July 2013. The reduction in MYE, coupled with the difficulty in attracting local workers to fill the void, may result in an increase in labour costs in the future, which will, in turn, result in an increase in our sub-contracting costs.

GENERAL INFORMATION ON OUR GROUP

(b) Prices of construction materials

The prices of construction materials such as steel and concrete are not expected to fluctuate significantly in the near future. However, in the event that prices of such construction materials fluctuate, we expect that our sub-contracting costs will fluctuate in tandem. If we are unable to pass any increase in these costs on to our customers, our profit margins may be affected.

(c) Increase in activity in the construction industry

Our Directors have observed an increase in activity in the construction industry in tandem with the general increase in property prices. Such increase in activity has led to an increase in demand for design and build services, and we expect that this will in turn, result in better profit margins for design and build contractors.

(d) Listing expenses and ongoing compliance costs

Our Directors expect the operating expenses to increase due mainly to the occurrence of listing and placement related expenses as well as ongoing compliance costs to comply with our Group's listing obligations. For further details of the listing and placement related expenses, please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

There is no assurance that our financial performance for FY2013 and future years will match or exceed our historical financial performance as disclosed in the "Independent Auditor's Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012" and the "Independent Auditor's Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013" as set out in Appendix A and Appendix B respectively of this Offer Document.

As at 30 June 2013, we had an order book for on-going project works of approximately S\$46.73 million. Since 1 July 2013 and up to the Latest Practicable Date, our Group had secured a further S\$65.90 million worth of project works. As at the Latest Practicable Date, we had an order book for on-going project works of approximately S\$91.91 million. A substantial part of these on-going project works is expected to be completed and recognised as revenue between FY2013 and FY2015. Our order book in respect of project works as at any particular date is subject to changes in our customers' project schedules or cancellations of projects and may not be indicative of revenue for any succeeding period. In addition, we are currently negotiating for potential projects in the ordinary course of our business.

Save as disclosed above and in the sections entitled "Risk Factors", "Management's Discussion and Analysis of Results of Operations and Financial Position", "General Information on our Group – Prospects" and "General Information on our Group – Business Strategies and Future Plans" of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends in sales and in the costs and selling prices of our services, or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial position.

GENERAL INFORMATION ON OUR GROUP

BUSINESS STRATEGIES AND FUTURE PLANS

Our strategies and future plans for the continued growth of our business are as follows:

Undertake property development projects

We believe that the undertaking of property development projects will give us greater control over the entire property development process and allow us to capture upstream profit margins. We intend to explore appropriate opportunities to undertake property development projects through suitable acquisitions, investments, strategic alliances, potential partnerships and/or joint ventures with other property developers. In line with our intention, we will also continue sourcing for development sites so that we will be well-placed and ready to capitalise on suitable development opportunities in appropriate market conditions.

We intend to utilise approximately S\$5.00 million, representing approximately 41.67% of the gross proceeds from the Placement for this purpose.

Expansion of our operations in existing markets and into new markets

We intend to expand our operations in existing markets by exploring the potential and feasibility of undertaking design and build and/or property development projects in Malaysia and the PRC and/or property development projects in Singapore. We also intend to expand our design and build, project management and/or property development operations to other countries in Asia and will undertake preliminary studies and analysis to explore the potential and feasibility of expanding our business into other parts of Asia where such services can be easily replicated and the risk of such expansion contained.

We intend to utilise approximately S\$0.60 million, representing approximately 5.00% of the gross proceeds from the Placement for this purpose.

Financing the purchase of the New Office and repayment of bank borrowings for the purchase of the New Office

On 26 August 2013, we entered into sale and purchase agreements to purchase the New Office for office use from Link (THM) Biz KB Pte. Ltd. for an aggregate purchase consideration of approximately S\$3.53 million. The purchase of the New Office is expected to result in savings in operating costs arising from the payment of monthly rentals.

We intend to utilise S\$0.35 million, representing approximately 2.95% of the gross proceeds from the Placement to finance the purchase of the New Office.

In addition, to partially finance the purchase of the New Office, we had obtained a 10-year term loan of approximately S\$2.12 million from DBS Bank Ltd. ("**DBS Loan**"), which has an interest rate of 1.48% per annum for the first year. As at the Latest Practicable Date, we have drawn down approximately S\$1.76 million of the DBS Loan. We intend to utilise approximately S\$1.76 million representing approximately 14.70% of the gross proceeds from the Placement to repay the amount owing to DBS Bank Ltd. and will incur a prepayment fee amounting to 1.00% on the principal amount prepaid.

GENERAL INFORMATION ON OUR GROUP

Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances

Over the years, our Group has grown organically by increasing the number of our management staff. Our Directors recognise that there may be opportunities that may arise through mergers and acquisitions, joint ventures and strategic alliances with domestic and foreign construction firms. This would enable us to expand our Group's network and provide us with opportunities to learn from our business partners who have the relevant expertise and relationships in areas such as management competency and construction standards.

By leveraging on our expertise and experience in Singapore, we intend to seek new and suitable opportunities to expand into the high growth regional markets. To date, we have not identified any specific investment targets. Should opportunities arise, we will seek approvals, where necessary, from our Shareholders and the relevant authorities in compliance with relevant laws and regulations.

INTERESTED PERSON TRANSACTIONS

In general, transactions between an Entity At Risk (namely, our Company, our subsidiaries that are not listed on the SGX-ST or an approved exchange and our associated company that is not listed on the SGX-ST or an approved exchange, provided that our Group, or our Group and its Interested Persons has control over the associated company) and any of its Interested Persons (namely, our Directors or Controlling Shareholders of our Company or the Associates of such Directors or Controlling Shareholders) would constitute Interested Person Transactions for the purposes of Chapter 9 of the Catalyst Rules.

This section sets out the Interested Person Transactions entered into by members of our Group (being an Entity At Risk) for FY2010, FY2011, FY2012 and HY2013 and up to the Latest Practicable Date (the “**Relevant Period**”).

Save as disclosed in this section and in the section entitled “Restructuring Exercise” of this Offer Document, there has been no Interested Person Transaction during the Relevant Period involving our Group which is material in the context of this Placement.

PAST INTERESTED PERSON TRANSACTIONS

Loans from our Controlling Shareholders, Danny Siaw and Singapore Enterprises, and our Substantial Shareholder, Robert Oei

In 2011, our Controlling Shareholders, Danny Siaw and Singapore Enterprises, and our Substantial Shareholder, Robert Oei, had each extended two short-term loans of an aggregate amount of S\$750,000 to our subsidiary, Figtree Projects, for working capital purposes. These loans were unsecured, repayable within three months from the date of disbursement, and at an interest rate of 8% per annum. While the loans were provided on mutually agreed commercial terms, the loans were not on arm’s length as the interest rate was determined with no additional reference to external industry rates.

In addition, in 2011 and 2012, Danny Siaw had extended seven interest-free loans of an aggregate amount of S\$573,681.98 and in 2011, Robert Oei had extended an interest-free loan of S\$5,000 to Figtree Projects for working capital purposes (“**Interest-free Loans**”). These Interest-free Loans were unsecured, with no fixed term of repayment and interest-free. The Interest-free Loans were not provided on commercial terms and not on arm’s length as no interest was charged.

During the Relevant Period, the largest outstanding amount owed by our Group to each of Danny Siaw, Singapore Enterprises and Robert Oei was S\$562,500, S\$142,500 and S\$80,000 respectively. As at the Latest Practicable Date, all loans owing by us to Danny Siaw, Singapore Enterprises and Robert Oei have been fully repaid. We do not intend to enter into similar transactions with the above Interested Persons following the admission of our Company to Catalyst.

ON-GOING INTERESTED PERSON TRANSACTIONS

Personal guarantees and indemnities provided by our Controlling Shareholder, Danny Siaw, and our Substantial Shareholders, Robert Oei, Fung Tze Ping and Teoh Hoon Song, for various performance bonds and banking facilities

During the Relevant Period, our Controlling Shareholder, Danny Siaw, and our Substantial Shareholders, Robert Oei, Fung Tze Ping and Teoh Hoon Song, had provided joint and several personal guarantees and indemnities for the following performance bonds and banking facilities:

INTERESTED PERSON TRANSACTIONS

Institution	Project/banking facility	Guarantor(s)	Amount secured
Tokio Marine Insurance Singapore Ltd.	Indemnity for the performance bond issued for the Sunview Project	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	S\$2,265,000
Tokio Marine Insurance Singapore Ltd.	Indemnity for the performance bond issued for the SEJ Project	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	S\$2,412,650
Tokio Marine Insurance Singapore Ltd.	Indemnity for the performance bond issued for the KWE Project	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	S\$3,955,000
United Overseas Bank Limited	Guarantee in respect of performance guarantee facility	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	S\$5,000,000
DBS Bank Ltd.	Guarantee in respect of letters of guarantee facility and fixed advance facility	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	All monies owing
DBS Bank Ltd.	Guarantee in respect of overdraft and term loan facility	Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song	All monies owing

The largest aggregate outstanding amount secured under the guarantees and indemnities during the Relevant Period by Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song was approximately S\$15.53 million. As at the Latest Practicable Date, the aggregate outstanding amount secured was approximately S\$15.53 million.

As no fee was paid to Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song for the provision of the above guarantees and indemnities, our Directors are of the view that the above arrangements were not carried out on an arm's length basis or on normal commercial terms but were to the benefit of our Group.

Following the admission of our Company to Catalist, we intend to procure a release and discharge of the abovementioned guarantees and indemnities from the relevant financial institutions and substitute the same with other guarantees and indemnities acceptable to the relevant financial institutions. If we are unable to procure the release and discharge of these guarantees and indemnities, Danny Siaw, Robert Oei, Fung Tze Ping and Teoh Hoon Song will either continue to provide the guarantees and indemnities for so long as such guarantees and indemnities are required by the relevant financial institutions or to seek and obtain suitable alternatives from other financial institutions offering comparable terms without the need for such personal guarantees and indemnities.

Design and Build Contract between Figtree Projects and Freight Links E-Logistics Technopark Pte Ltd ("FLET")

FLET is a wholly-owned subsidiary of Freight Links, which is the holding company of our Controlling Shareholder, Singapore Enterprises. On 6 June 2013, FLET awarded a contract for the proposed extension of a single storey warehouse at the first storey and additional and alteration at the second storey of an existing 7-storey single-user warehouse at 30 Tuas Avenue 10, Singapore to Figtree Projects. The contract value of this project was S\$2.6 million, and was arrived at on a lump sum basis following an invited tender. Accordingly, our Directors are of the view that this transaction is carried out on an arm's length basis.

INTERESTED PERSON TRANSACTIONS

The amounts paid by FLET to our Group for the Relevant Period were as follows:

(S\$'000)	FY2010	FY2011	FY2012	HY2013	From 1 July 2013 up to the Latest Practicable Date
Amount paid by FLET to our Group	–	–	–	–	–

Construction works for this project commenced on 11 September 2013. FLET had on 30 September 2013 certified a progress claim made by Figtree Projects in respect of work done for this project. We had, on 7 October 2013, issued an invoice for the amount of S\$256,678.02 to FLET. As at the date of this Offer Document, no amount has been paid by FLET to our Group.

Design and Build Contract between Figtree Projects and Crystal Freight Services Distripark Pte Ltd (“Crystal Freight”)

Crystal Freight is a wholly-owned subsidiary of Freight Links, which is the holding company of our Controlling Shareholder, Singapore Enterprises. On 30 September 2013, Crystal Freight awarded a contract for the proposed erection of a 8-storey ramp up warehouse development including ancillary office and roof top storage at 146 Gul Circle, Singapore 629604 to Figtree Projects. The contract value of this project was S\$63.3 million, and was arrived at following an invited tender. Accordingly, our Directors are of the view that this transaction is carried out on an arm's length basis.

The amounts paid by Crystal Freight to our Group for the Relevant Period were as follows:

(S\$'000)	FY2010	FY2011	FY2012	HY2013	From 1 July 2013 up to the Latest Practicable Date
Amount paid by Crystal Freight to our Group	–	–	–	–	–

As at the date of this Offer Document, construction works for this project has not commenced and no amount has been paid by Crystal Freight to our Group.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve all Interested Person Transactions to ensure that they are on normal commercial terms and on an arm's length basis, that is, the transactions are transacted on terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Group or our Shareholders in any way.

INTERESTED PERSON TRANSACTIONS

To ensure that all future Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Group or our minority Shareholders, the following procedures will be implemented by our Group:

- (a) When purchasing any products or engaging any services from an Interested Person, two other quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Group or our minority Shareholders are not disadvantaged. The purchase price or fee for the products or services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;
- (b) When selling any products or supplying any services to an Interested Person, the price or fee and terms of two other successful transactions of a similar nature with non-interested persons will be used as comparison to ensure that the interests of our Group or our minority Shareholders are not disadvantaged. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two other successful transactions with non-interested persons;
- (c) When renting properties from or to an Interested Person, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (where necessary). The rent payable shall be based on the most competitive market rental rates of similar properties in terms of size and location, based on the results of the relevant enquiries;
- (d) Where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Group's Chief Executive Officer or an equivalent of the relevant company in our Group, who has no interest in the transaction, in accordance with our Group's usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and
- (e) In addition, we shall monitor all Interested Person Transactions entered into by us and categorise these transactions as follows:
 - (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of 3.0% of the NTA of our Group; and
 - (ii) a Category 2 Interested Person Transaction is one where the value thereof is below or equal to 3.0% of the NTA of our Group.

All Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry whereas Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry but shall be reviewed at least on a semi-annual basis by our Audit Committee.

Our Audit Committee will review all Interested Person Transactions, if any, on a semi-annual basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. Such

INTERESTED PERSON TRANSACTIONS

review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers or valuers to provide additional information pertaining to the transaction under review. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

Our Chief Financial Officer shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register to record all Interested Persons Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

Disclosure will be made in our Company's annual report of the aggregate value of Interested Person Transactions during the relevant financial year under review and in the subsequent annual reports for the subsequent financial years of our Company.

Internal auditors will be appointed and their internal audit plan will incorporate a review of all the Interested Person Transactions at least on an annual basis. The internal audit report will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with.

Our Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Interested Person Transactions are conducted on normal commercial terms and do not prejudice our interests and the interests of our Shareholders. Further, if during these periodic reviews by our Audit Committee, our Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that Interested Person Transactions will be on normal commercial terms and not prejudicial to our interests and the interests of our Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future Interested Person Transactions as may be appropriate.

In addition, our Audit Committee will include the review of Interested Person Transactions as part of the standard procedures while examining the adequacy of our internal controls. Our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with. In addition, such transactions will also be subject to Shareholders' approval if required by the Catalist Rules.

POTENTIAL CONFLICTS OF INTEREST

Save as disclosed in the section entitled "Interested Person Transactions" of this Offer Document, none of our Directors, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

- (a) in any transaction to which our Group was or is to be a party;
- (b) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and
- (c) in any enterprise or company that is our Group's customer or supplier of goods and services.

INTERESTED PERSON TRANSACTIONS

Save as disclosed in the sections entitled “Interested Person Transactions” and “Directors, Management and Staff – Service Agreements” of this Offer Document, none of our Directors has any interests in any existing contract or arrangement which is significant in relation to the business of our Company, our subsidiaries and our associated company, taken as a whole.

Interests of Experts

No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company, our subsidiaries or our associated company or are proposed to be acquired or disposed of by or leased to our Company, our subsidiaries or our associated company.

No expert (a) is employed on a contingent basis by our Company, our subsidiaries or our associated company; or (b) has a material interest, whether direct or indirect, in our Shares, the shares of our subsidiaries or the shares of our associated company; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

Interests of Manager, Sponsor and Placement Agent

In the reasonable opinion of our Directors, the Manager, Sponsor and Placement Agent, PPCF, does not have a material relationship with our Company save as disclosed below and in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Manager, Sponsor and Placement Agent in relation to the Listing; and
- (b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on Catalist.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of each of our Directors are set out below:

Name	Age	Residential Address	Position
Danny Siaw	48	115G Whitley Road Singapore 297847	Executive Chairman and Managing Director
Tan Chew Joo	65	Blk 76 Guan Chuan Street #02-30 Singapore 160076	Executive Director and Cost Director
Thomas Woo Sai Meng	63	68 Tanah Merah Kechil Avenue #06-33 Singapore 465533	Non-Executive Director
Lee Kim Huat	58	30 Lentor Loop Singapore 789087	Lead Independent Director
Lee Choong Hiong	63	12 Ettrick Terrace Singapore 458576	Independent Director
Pong Chen Yih	37	70 Mei Hwan Drive #03-20 Singapore 568431	Independent Director

The business and working experience and areas of responsibility of our Directors are set out below:

Danny Siaw was appointed as our Director on 5 June 2013 and is our Executive Chairman and Managing Director, primarily responsible for the business development and overall management of our Group. Mr Siaw started his career in November 1990 as a site engineer with Civil & Civic Pty Ltd, a design and construction company in Australia before joining Bovis Lend Lease Pte Ltd in July 1993 as a business development manager. In 1998, he joined Magdecon Projects Pte Ltd as an executive director in charge of business development and design and was promoted to managing director in 2004, a post he held until December 2010. In 2011, Mr Siaw became the managing director of Figtree Projects and went on in the same year to become a director of Figtree Malaysia and Figtree Shanghai. In 2013, Mr Siaw became a director of Figtree Developments.

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

Tan Chew Joo was appointed as our Director on 5 June 2013 and is our Executive Director and Cost Director, primarily responsible for the overall management of costing and budgeting of projects for our Group. Mr Tan started his career in 1973 as a quantity surveyor with the Singapore Public Works Department before joining Soh Beng Tee Pte Ltd, a general building contractor, as a contracts manager in 1975. In 1980, Mr Tan joined Bovis Lend Lease Pte Ltd as a cost manager where he rose up the ranks to the position of director and general manager. In 1998, he joined Magdecon Projects Pte Ltd as managing director and became the executive chairman from 2004 to 2007. Mr Tan assumed the position of technical consultant for Magdecon Projects Pte Ltd from 2007 to 2009 and was also an executive director of Singa MP Corporation Pte Ltd, the holding company of Magdecon Projects Ptd Ltd, from 2008 to 2009. In 2011, Mr Tan joined our Group and became the cost director for Figtree Projects. In 2013, Mr Tan became a director of Figtree Developments.

DIRECTORS, MANAGEMENT AND STAFF

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

Thomas Woo Sai Meng was appointed as our Non-Executive Director on 8 October 2013 and is currently the executive director and chief investment officer of Freight Links. He joined Freight Links in May 1997 and was its chief financial officer until November 2010 before his current appointment as chief investment officer. Mr Woo was appointed as the executive director of Freight Links in September 2001 and concurrently sits on the board of a number of Freight Links' subsidiaries and associated companies. Prior to joining Freight Links, he held senior managerial appointments with a number of private sector organisations.

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

Lee Kim Huat was appointed as our Lead Independent Director on 8 October 2013 and is currently the chief operating officer and finance director of Nordic Global Holdings Pte. Ltd., an investment holding company as well as the chief operating officer and finance director of Nordic Lift-Truck Pte. Ltd., Nordic Trading & Engineering Pte. Ltd. and PT. Nordic Lift-Truck, companies that engage in the sale, refurbishment, servicing and repair of container and material handlers, terminal tractors, heavy forklifts, quayside cranes and port equipment.

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

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

Lee Choong Hiong was appointed as our Independent Director on 8 October 2013 and is currently the owner of LCH Quantity Surveying Consultant, a sole-proprietorship which he started in 1986 that provides quantity surveying services and business and management consultancy services, and LTY + LCH (JV), a partnership registered in 2005 that provides quantity surveying services. He has more than 40 years of experience in quantity surveying. From 1973 to 1981, he worked as a senior quantity surveyor at LT&Y. Thereafter, he became a partner at Lim Chan Hoe & Partners, a company in the business of quantity surveying from 1981 to 1986.

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

DIRECTORS, MANAGEMENT AND STAFF

Pong Chen Yih was appointed as our Independent Director on 8 October 2013 and is currently a partner in WongPartnership LLP where he practises law in the main areas of capital markets work, compliance, investments and acquisitions. Mr Pong has been in practice since May 2002 when he started his legal practice as an associate in Shook Lin & Bok LLP. He joined WongPartnership LLP as an associate in 2003 before becoming a partner in 2008.

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

Thomas Woo Sai Meng has prior experience as a director of a public listed company in Singapore and is therefore familiar with the roles and responsibilities of a director of a public listed company in Singapore. Danny Siaw, Tan Chew Joo, Lee Kim Huat, Lee Choong Hiong and Pong Chen Yih had attended the relevant training at the Singapore Institute of Directors on 17 October 2013 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

Save as disclosed in the section entitled “Shareholders – Shareholding and Ownership Structure” of this Offer Document, none of our Directors are related to each other, our Executive Officers or our Substantial Shareholders.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

None of our Independent Directors sits on the board of our subsidiaries or our associated company.

The list of present and past directorships of each Director over the last five years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Danny Siaw	<u>Group Companies</u> Figtree Developments Pte. Ltd. Figtree Projects (Shanghai) Co., Ltd. Figtree Projects Pte. Ltd. Figtree Projects Sdn Bhd <u>Other Companies</u> –	<u>Group Companies</u> – <u>Other Companies</u> Magdecon Development Pte. Ltd. Magdecon Products Pte. Ltd. Magdecon Projects Pte Ltd Magdecon Projects Sdn. Bhd. MP Huadi Corporation Project Consulting (Xian) Co., Ltd MP Huadi Corporation (S) Pte. Ltd.

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Tan Chew Joo	<u>Group Companies</u> Figtree Developments Pte. Ltd. <u>Other Companies</u> –	<u>Group Companies</u> – <u>Other Companies</u> Fashen Holding Pte. Ltd. Magdecon Development Pte. Ltd. Magdecon Products Pte. Ltd. Magdecon Projects Pte Ltd Magdecon Projects Sdn. Bhd. MMP Development Pte. Ltd. MP Huadi Corporation (S) Pte. Ltd. Singa MP Corporation Pte. Ltd.
Thomas Woo Sai Meng	<u>Group Companies</u> – <u>Other Companies</u> Advance Resources Capital Holding Limited Blackgold Megatrade Pte. Ltd. Crystal Freight Services Distripark Pte Ltd Crystal Freight Services Pte Ltd Crystal Shipping Line (HK) Ltd FLE Shipping Line Pte Ltd FLEX Integrated Marketing Pte. Ltd. Freight Links E-Logistics Technopark Pte Ltd Freight Links Express Air Systems Pte Ltd Freight Links Express Airfreight Pte Ltd Freight Links Express Archivers Pte Ltd Freight Links Express Districentre Pte Ltd Freight Links Express Distrihub Pte Ltd Freight Links Express Distripark Pte Ltd Freight Links Express Logisticpark Pte Ltd Freight Links Express Holdings Limited	<u>Group Companies</u> – <u>Other Companies</u> Chemode Global Pte. Ltd. Freight Links Express Holdings (Australia) Ltd Freight Links Express Logistics (Australia) Pty Ltd Freight Links Express (Melbourne) Pty Ltd Freight Links Express (Sydney) Pty Ltd United Relocations (S) Pte. Ltd.

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
	Freight Links Express International Ltd Freight Links Express (Malaysia) Sdn Bhd Freight Links Express (Penang) Sdn Bhd Freight Links Express Pte Ltd Freight Links Express (Thailand) Co., Ltd Freight Links Fabpark Pte. Ltd. Freight Links Logistics Pte. Ltd. Freight Links M&S (HK) Limited Freight Links Properties Pte. Ltd. Fudao Petrochemicals Group Pte. Ltd. Glory Capital Pte. Ltd. Legend Capital Gain Inc LTH Distripark Pte Ltd LTH Logistics (Malaysia) Sdn Bhd LTH Logistics (Singapore) Pte Ltd LTH Peninsular Logistics Sdn Bhd Piow Hong Pte Ltd Sabana Investment Partners Pte. Ltd. Saujana Tiasa Sdn Bhd Sentosa Capital (Pte.) Ltd. Singapore Enterprises Private Limited Sinolink Finance International Ltd	
Lee Kim Huat	<u>Group Companies</u> — <u>Other Companies</u> Asia Capital Market Advisory Pte. Ltd. Nordic Port Equipment Sdn. Bhd.	<u>Group Companies</u> — <u>Other Companies</u> BBR Construction Systems (M) Sdn. Bhd. BBR Construction Systems Pte Ltd BBR Development Pte. Ltd. BBR Kovan Pte. Ltd. BBR Piling Pte. Ltd. BBR Property Pte. Ltd. Daejeon Riverside Expressway Co. Ltd SD Metals Pte Ltd (struck off)

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
		Siam-BBR Co., Ltd Singa Construction (S) Pte Ltd (struck off) Singa Development Pte Ltd Singapore Piling & Civil Engineering Private Limited Singapore Piling and Building Construction Lanka (Private) Limited (struck off) SP Holland Hill Private Limited SP – John Keells Land Pte. Ltd. (struck off) Tennessee Pte. Ltd. TKP Development Pte Ltd (struck off)
Lee Choong Hiong	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> Negara Technology Pte. Ltd.	<u>Other Companies</u> Lee Soon Heng (2007) Pte. Ltd. (gazetted to be struck off)
Pong Chen Yih	<u>Group Companies</u> –	<u>Group Companies</u> –
	<u>Other Companies</u> –	<u>Other Companies</u> –

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Directors who are assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Residential Address	Principal Occupation
Audrea Ling	38	6 Lucky Rise Singapore 467513	Chief Financial Officer
Robert Oei	68	21 Lengkong Satu Singapore 417490	Technical Director of Figtree Projects
Teoh Hoon Song	42	264E Compassvale Bow #13-74 Singapore 548264	M&E Director of Figtree Projects
Fung Tze Ping	42	Blk 57 Telok Blangah Heights #05-143 Singapore 100057	Project Director of Figtree Projects

DIRECTORS, MANAGEMENT AND STAFF

The business and working experience and areas of responsibility of our Executive Officers are set out below:

Audrea Ling is our Chief Financial Officer and is responsible for all finance related areas of our Group since joining us in February 2013. Ms Ling started her career in 1997 as an auditor in Ernst & Young LLP before leaving in 2002 to join BBR Holdings (S) Ltd, a construction and property development company listed on the Mainboard of the SGX-ST, as a group accountant where she performed consolidation and prepared all financial announcements as well as annual reports and quarterly budgets, forecasts and cash flow statements. In 2010, she joined Adventus Holdings Limited, an advanced materials and solutions and commodities and resources company listed on Catalist, as the group finance manager before leaving to join us in 2013.

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

Our Audit Committee, after having conducted an interview with Audrea Ling and after having considered:

- (a) the qualifications and past working experiences of Audrea Ling which are compatible with her position as Chief Financial Officer of our Group;
- (b) Audrea Ling's past audit, financial and accounting related experiences;
- (c) Audrea Ling's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the listing of our Company;
- (d) the absence of negative feedback on Audrea Ling from the representatives of our Group's Independent Auditor and Reporting Accountant, Ernst & Young LLP; and
- (e) the absence of internal control weaknesses attributable to Audrea Ling identified during the internal control review conducted,

is of the view that Audrea Ling is suitable for the position of Chief Financial Officer of our Group.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Audrea Ling does not have the competence, character and integrity expected of a Chief Financial Officer of a listed issuer.

In addition, Audrea Ling shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

Robert Oei is our Technical Director for Figtree Projects and is responsible for the preparation of conceptual structural designs and evaluation of the final structural design. From 1978 to 1998, Mr Oei took on various roles within the L&M group of companies, a specialist engineering contractor in Singapore. These roles include the project manager of L&M Prestressing Pte Ltd, chief executive officer of L&M Geotechnic Pte Ltd and L&M Foundation Specialist Pte Ltd and country director for subsidiaries in Brunei and Indonesia. From 1999 to 2002, Mr Oei joined Yongnam Engineering & Construction Pte Ltd as technical manager for projects in Singapore, Hongkong and India. Between 2003 and 2006, he joined various other engineering and construction companies as technical director/consultant and joined Magdecon Projects Pte Ltd, a building and construction company, as their technical projects director in 2006. In 2009, Mr Oei incorporated

DIRECTORS, MANAGEMENT AND STAFF

Figtree Projects which remained dormant until 2011. In the meantime, Mr Oei joined Double Wong Foundation Pte Ltd, a foundation piling company, as technical projects director before leaving to join us in 2011. Mr Oei has also been the sole proprietor of Access Consultancy, an engineering services business providing accredited checking services, since 1983.

Mr Oei holds a Bachelor of Engineering in Civil Engineering from the University of Sydney. He is also certified as a Professional Engineer by the Singapore Professional Engineers Board.

Teoh Hoon Song is our M&E Director for Figtree Projects and is responsible for all M&E related matters for our projects as well as ensuring compliance with applicable ISO procedures and BCA Green Mark compliance. Mr Teoh started his career in 1995 as an engineer with Hart Engineering Pte Ltd until 2000, when he left to join United Engineers Pte Ltd in the same capacity. In 2005, Mr Teoh joined Magdecon Projects Pte Ltd, a building and construction company, as a project manager where he was responsible for the management of building and construction projects. Mr Teoh joined Figtree Projects in 2010 as our M&E Director.

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

Fung Tze Ping is our Project Director for Figtree Projects and is responsible for project management, project planning, management of budgeting and costing. Mr Fung started his career in 2000 with Magdecon Projects Pte Ltd where he was the site/project engineer for construction projects undertaken by various organisations including Hermes-Epitek Corp. Pte Ltd (“**Hermes-Epitek**”) and Agnos Chemicals Pte Ltd. He was subsequently promoted to the role of a project manager in 2004, where he started managing various projects involving utilities pipework hook-up for Hermes-Epitek as well as managing the construction of a chemicals warehouse for LTH Logistic (Singapore) Pte Ltd. In 2011, Mr Fung joined Figtree Projects as our Project Director.

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

There is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

There is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was selected as our Director or Executive Officer.

The list of present and past directorships of each Executive Officer over the last five years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Audrea Ling	<u>Group Companies</u>	<u>Group Companies</u>
	—	—
	<u>Other Companies</u>	<u>Other Companies</u>
	—	—

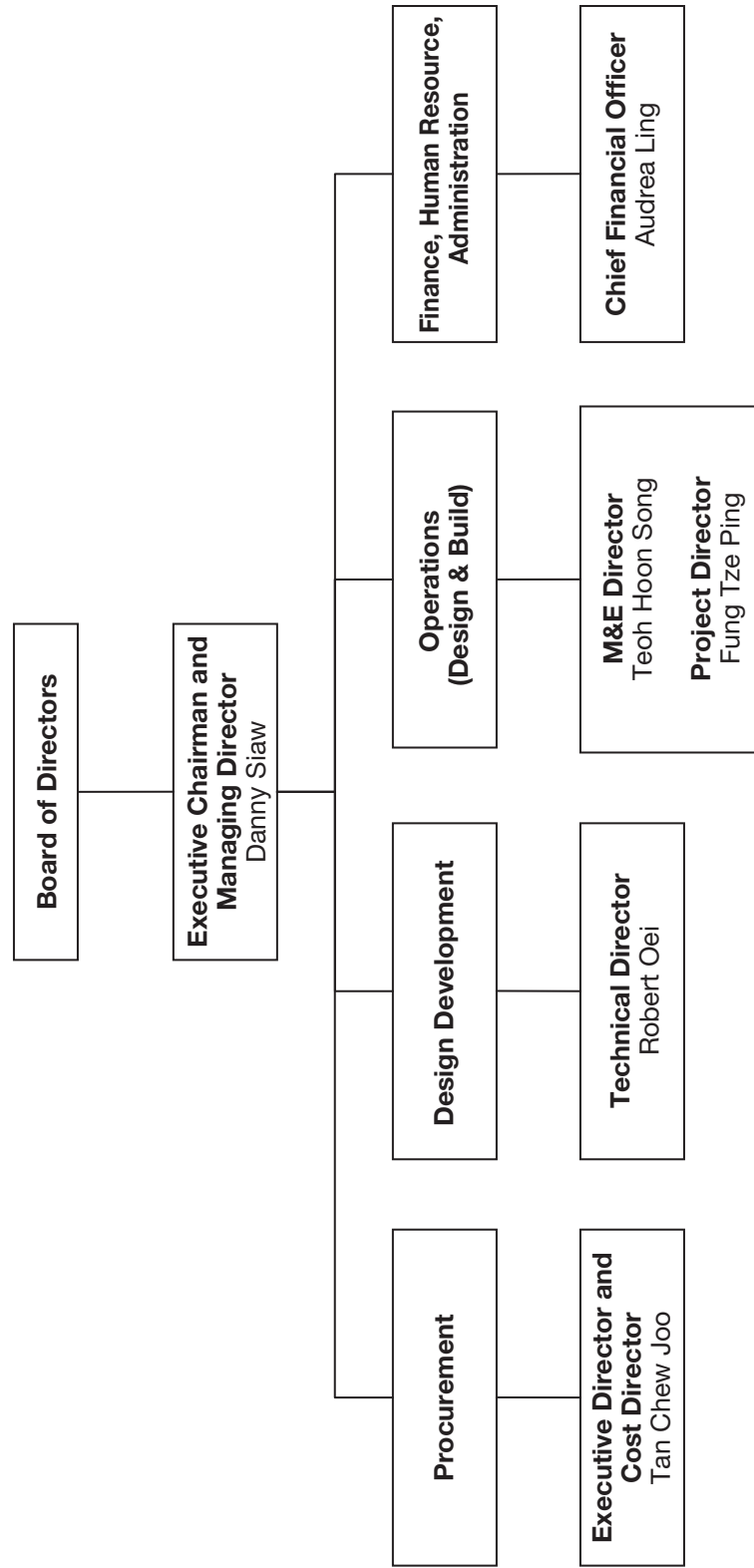
DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Robert Oei	<u>Group Companies</u> Figtree Projects Pte. Ltd. <u>Other Companies</u> –	<u>Group Companies</u> – <u>Other Companies</u> AP.Crest Pte. Ltd. K&C Protective Technologies Pte. Ltd. KCPT System Pte. Ltd. Magdecon Projects Pte Ltd Protective Films Pte. Ltd.
Teoh Hoon Song	<u>Group Companies</u> Figtree Projects Pte. Ltd. <u>Other Companies</u> Dbauen Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> –
Fung Tze Ping	<u>Group Companies</u> Figtree Projects Pte. Ltd. Figtree Projects Sdn Bhd <u>Other Companies</u> Dbauen Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> –

DIRECTORS, MANAGEMENT AND STAFF

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



DIRECTORS, MANAGEMENT AND STAFF

EMPLOYEES

As at the Latest Practicable Date, our Group had a workforce of 27 full-time employees, inclusive of contracted workers engaged for specific projects.

The functional distribution of our Group's employees as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013 are as follows:

Function	As at 31 December			As at 30 June
	2010	2011	2012	2013
Finance and administration	–	2	3	4
Operations	3	12	18	20
Total	3	14	21	24

The geographical breakdown of the full-time employees of our Group as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013 are as follows:

	As at 31 December			As at 30 June
	2010	2011	2012	2013
Singapore	3	10	17	20
PRC	–	4	4	4
Malaysia ⁽¹⁾	–	–	–	–
Total	3	14	21	24

Note:

- (1) As at the Latest Practicable Date, we do not have a place of business in Malaysia. Accordingly, we do not have employees operating out of Malaysia.

The increase in the headcount of employees is in line with the increase in project activities in FY2011, FY2012 and HY2013.

We do not employ a significant number of temporary employees.

Our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

Other than amounts set aside or accrued in respect of mandatory employee funds, we have not set aside or accrued any amount of money to provide for pension, retirement or similar benefits to our employees.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration (including salary, bonus, contributions to CPF, directors' fees, allowances and benefits-in-kind) paid during FY2011 and FY2012 and the estimated remuneration to be paid for the current FY2013 to our Directors and Executive Officers for services rendered to our Group are set out in the following remuneration bands⁽¹⁾:

	FY2011	FY2012	FY2013 ⁽²⁾
Directors			
Danny Siaw	Band B	Band D	Band C
Tan Chew Joo	Band A	Band B	Band A
Thomas Woo Sai Meng	–	–	Band A
Lee Kim Huat	–	–	Band A
Lee Choong Hiong	–	–	Band A
Pong Chen Yih	–	–	Band A
Executive Officers			
Audrea Ling	–	–	Band A
Robert Oei	Band A	Band B	Band A
Teoh Hoon Song	Band A	Band B	Band A
Fung Tze Ping	Band A	Band B	Band A

Notes:

- (1) Remuneration bands:
 "Band A" refers to remuneration of up to S\$250,000.
 "Band B" refers to remuneration between S\$250,001 and S\$500,000.
 "Band C" refers to remuneration between S\$500,001 and S\$750,000.
 "Band D" refers to remuneration between S\$750,001 and S\$1,000,000.
- (2) The estimated remuneration to be paid for FY2013 does not take into account any bonus or profit sharing which has not yet been paid to our Executive Directors and our Executive Officers.

As at the Latest Practicable Date, none of our full-time employees are related to our Directors and Substantial Shareholders. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

SERVICE AGREEMENTS

On 8 October 2013, our Company entered into respective Service Agreements with our Executive Directors, Danny Siaw and Tan Chew Joo and our Executive Officers, Audrea Ling, Robert Oei, Teoh Hoon Song and Fung Tze Ping (each an "**Appointee**"). The Service Agreements are valid for an initial period of three years with effect from the date of admission of our Company to Catalist ("**Initial Term**"). Upon the expiry of the Initial Term, the employment of the Appointees shall be automatically renewed on a year-on-year basis on such terms and conditions as the parties may agree.

DIRECTORS, MANAGEMENT AND STAFF

Either party may terminate the respective Service Agreements at any time by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Appointee's last drawn monthly salary.

Our Group may also terminate the employment of each Appointee at any time without notice or payment in lieu of notice under the following circumstances:

- (a) if the Appointee is guilty of any gross default or grave misconduct in connection with or affecting the business of our Group;
- (b) in the event of any serious or repeated breach or non-observance by the Appointee of any of the stipulations contained in the Service Agreement;
- (c) if the Appointee becomes bankrupt or makes any composition or enters into any deed of arrangement with his creditors;
- (d) if the Appointee shall become of unsound mind; or
- (e) if the Appointee commits any act of criminal breach of trust or dishonesty.

The Service Agreements provided for, *inter alia*, the salary payable to the Appointees, annual leave, medical benefits, grounds of termination and certain restrictive covenants (including non-compete obligation). Under the terms of the respective Service Agreements, Danny Siaw, Tan Chew Joo, Audrea Ling, Robert Oei, Teoh Hoon Song and Fung Tze Ping are entitled to a monthly salary of S\$30,000, S\$14,000, S\$8,000, S\$14,000, S\$13,000 and S\$13,000 respectively, as well as an annual fixed bonus of one month of his/her last drawn monthly salary. Audrea Ling is also entitled to a discretionary annual variable bonus while Danny Siaw, Tan Chew Joo, Robert Oei, Teoh Hoon Song and Fung Tze Ping are entitled to receive an incentive bonus, to be paid within three months after the annual general meeting of our Company approving the audited consolidated accounts of our Group, based on our Group's audited consolidated profit before income tax and before profit sharing (excluding non-recurring exceptional terms and extraordinary items) but before non-controlling interests of our Group for the relevant financial year ("**PBT**") as follows:

Amount of Incentive Bonus		
PBT	Danny Siaw	Tan Chew Joo, Robert Oei, Teoh Hoon Song and Fung Tze Ping
S\$2 million < PBT ≤ S\$5 million	4.0% of PBT	2.2% of PBT
S\$5 million < PBT ≤ S\$7.5 million	S\$200,000 plus 6.0% of the amount of PBT in excess of S\$5 million and up to S\$7.5 million	S\$110,000 plus 2.4% of the amount of PBT in excess of S\$5 million and up to S\$7.5 million
S\$7.5 million < PBT ≤ S\$10 million	S\$350,000 plus 8.0% of the amount of PBT in excess of S\$7.5 million and up to S\$10 million	S\$170,000 plus 2.6% of the amount of PBT in excess of S\$7.5 million and up to S\$10 million

DIRECTORS, MANAGEMENT AND STAFF

PBT	Amount of Incentive Bonus	
	Danny Siaw	Tan Chew Joo, Robert Oei, Teoh Hoon Song and Fung Tze Ping
S\$10 million < PBT	S\$550,000 plus 10.0% of the amount of PBT in excess of S\$10 million	–
S\$10 million < PBT ≤ S\$12.5 million	–	S\$235,000 plus 2.8% of the amount of PBT in excess of S\$10 million and up to S\$12.5 million
S\$12.5 million < PBT	–	S\$305,000 plus 3.0% of the amount of PBT in excess of S\$12.5 million

All reasonable travelling, hotel, entertainment and such other out-of-pocket expenses incurred by the Appointees in the discharge of their duties will be borne by our Company.

Under the Service Agreements, the remuneration of the Appointees is subject to annual review by the Remuneration Committee.

Subject to the approvals of the Shareholders of our Company, the SGX-ST and other regulatory authorities, where necessary, and subject to the eligibility criteria set out in the relevant employee share scheme or plan, each Appointee shall be eligible to participate in any employee scheme or plan implemented by our Company on such terms as may be determined by our Remuneration Committee at its sole and absolute discretion.

Under the Service Agreements, each of the Appointees has covenanted that he/she shall not, without the prior approval of our Board, during his/her employment with our Company and for a period of 12 months after cessation of his/her employment with our Company:

- (a) be directly or indirectly engaged or concerned or interested whether as shareholder, director, employee, partner, agent or otherwise in any other business competing with or in opposition to the business for the time being of our Group or as regards any goods or services is a supplier or customer of our Group within Singapore or any country in which we have operations, provided always that this shall not prohibit his/her holding or him/her being interested in shares or debentures of not more than 5% of the total issued share capital of any other company listed on any stock exchange;
- (b) either on his/her own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any person, firm, company or organisation who shall at any time prior to the date hereof or during the duration of his/her employment with our Company, has been a customer, client, agent or correspondent of our Group or in the habit of dealing with our Group;
- (c) either on his/her own account or in conjunction with or on behalf of any other person, firm or company, solicit or entice away or attempt to solicit or entice away from our Group any

DIRECTORS, MANAGEMENT AND STAFF

person who is an officer, manager or employee of our Group whether or not such person would commit a breach of his/her contract of employment by reason of leaving such employment; and

- (d) at any time hereafter make use of or disclose or divulge to any third party any information relating to our Group other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction.

Had the Service Agreements mentioned above been in place for FY2012, the aggregate remuneration (including contributions to the CPF and other benefits, if any) paid or provided to our Executive Directors and our Executive Officers would have been approximately S\$2.06 million instead of S\$2.31 million.

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company, our subsidiaries and our associated company with any of our Directors or our Executive Officers. There are no existing or proposed service agreements entered into or to be entered into between our Company, our subsidiaries and our associated company with any of our Directors or our Executive Officers which provide for benefits upon termination of employment.

Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

In conjunction with our listing on Catalist, we have adopted a share option scheme known as the “Figtree Employee Share Option Scheme” which was approved at an Extraordinary General Meeting of our Shareholders held on 8 October 2013. The rules of our ESOS are set out in Appendix E of this Offer Document and comply with the requirements as set out in Chapter 8, Part VIII of the Listing Manual. Capitalised terms used throughout this section shall bear the meanings as defined in Appendix E of this Offer Document.

The ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS, which forms an integral and important component of our employee compensation plan, is designed to primarily reward and retain directors and employees whose services are vital to our well being and success. This would enable our Company to give recognition to past contributions and services as well as to motivate participants generally to contribute towards the long-term growth of our Group.

As at the Latest Practicable Date, no Options have been granted under the ESOS.

Objectives of the ESOS

The objectives of the ESOS are as follows:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instill loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Summary of the ESOS

The following is a summary of the rules of the ESOS which should be read in conjunction with the Rules of the Figtree Employee Share Option Scheme set out in Appendix E of this Offer Document.

(1) Participants

Confirmed full time employees of our Group, Executive Directors and Non-Executive Directors (including Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.

Confirmed full time employees of our Group, Executive Directors and Non-Executive Directors who are also Controlling Shareholders or Associates of a Controlling Shareholder are also eligible to participate in the ESOS provided that (a) the participation of, and (b) the

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

terms of any Options to be granted and the actual number of Shares to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

(2) Administration

The ESOS shall be administered by the Committee with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be granted; and
- (c) recommendations for modifications to the ESOS.

As at the date of this Offer Document, the Committee comprises Lee Choong Hiong, Lee Kim Huat and Pong Chen Yih. The Committee will consist of Directors (including Directors or persons who may be participants of the ESOS). A member of the Committee who is also a participant of the ESOS must not be involved in any deliberation or decision in respect of Options granted or to be granted to him.

(3) Size of the ESOS

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option.

Our Directors believe that this limit gives us sufficient flexibility to decide upon the number of Option Shares to offer to our existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants will increase as a result. If the number of Options available under the ESOS is limited, our Company may only be able to grant a small number of Options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that the Committee will definitely issue Option Shares up to the prescribed limit. The Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

(4) Maximum entitlements

The aggregate number of Shares comprised in any Option to be offered to a participant under the ESOS shall be determined by the Committee, in their absolute discretion, which shall take into account (where applicable) criteria such as rank, responsibilities within our Group, past performance, years of service and potential for future development of that participant.

The aggregate number of Shares in respect of which Options may be granted to the Controlling Shareholders or Associates of the Controlling Shareholders under the ESOS shall not exceed 25% of the total number of Shares available under the ESOS. The aggregate number of Shares in respect of which Options may be granted to any individual Controlling Shareholders or Associate of a Controlling Shareholder under the ESOS shall not exceed 10% of the total number of Shares available under the ESOS.

(5) Options, exercise period and exercise price

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

(6) Grant of Options

Under the rules of the ESOS, there are no fixed periods for the grant of Options. As such, offers for the grant of Options may be made at any time at the discretion of the Committee. However, no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim or final results (as the case may be).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(7) Termination of Options

Special provisions in the rules of the ESOS deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company and the winding-up of our Company.

(8) Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of offer. Offers of Options made to grantees, if not accepted by the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

(9) Rights of Shares arising from the exercise of Options

Shares arising from the exercise of Options are subject to the provisions of the Memorandum and Articles of Association of our Company. The Shares so allotted will upon issue rank *pari passu* in all respects with the then existing issued Shares, save for any dividend, rights, allotments or distributions, the record date for which is prior to the relevant exercise date of the Option. For such purposes, “record date” means the date as at the close of business on which our Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

(10) Duration of the ESOS

The ESOS shall continue in operation for a maximum duration of 10 years commencing on the date on which the ESOS is adopted by our Company in general meeting and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

(11) Abstention from voting

Shareholders who are eligible to participate in the ESOS are to abstain from voting on any resolution of Shareholders relating to the ESOS.

Grant of Discounted Options

Discounted Options will only be granted to deserving employees whose performance has been consistently good and/or whose future contributions to our Group will be invaluable. The ability to offer Discounted Options will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus on improving the profitability and return of our Group to a level that benefits our Shareholders when these are eventually reflected through an appreciation of our share price. Discounted Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Discounted Options as only employees who have made significant contributions to the success and development of our Group would be granted Discounted Options.

The flexibility to grant Discounted Options is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Committee will have absolute discretion to:

- (a) grant Options set at a discount to the Market Price of a Share (subject to a maximum limit of 20%); and
- (b) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the Committee shall be at liberty to take into consideration factors including the performance of our Company, our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions.

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

At present, our Company foresees that Discounted Options may be granted principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a Discounted Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the Discounted Option serves as additional incentives to such Group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence during such period, the ability to offer Discounted Options would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Discounted Options will give an opportunity to our Group employees to realise some tangible benefits even if external events cause the Share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a Discounted Option rather than paying him a cash bonus. For example, Discounted Options may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Discounted Options, as part of eligible employees' compensation packages. The ESOS will provide our Group employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of our Shares after the vesting period.

The Committee will have the absolute discretion to grant Discounted Options, to determine the level of discount (subject to a maximum discount of 20% of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount as aforesaid. Such Discounted Options may be exercisable after two years from the date of grant.

Our Company may also grant Options without any discount to the Market Price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the market price or at a discount to the Market Price), such as restricting the number of Shares for which the Option may be exercised during the initial years following its vesting.

Cost of Options granted under the ESOS to our Company

Any Options granted under the ESOS would have a fair value. Where such Options are granted at a consideration below their fair value, there will be a cost to our Company, the amount of which will depend on whether the Options are granted at the Market Price or at a discount. The cost to our Company of granting Options under the ESOS would be as follows:

- (a) the exercise of an Option at a discounted exercise price would translate into a reduction of the proceeds from the exercise of such Options, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing market price of our Shares. Such reduction of the exercise proceeds would represent the monetary cost to our Company of granting Options with a discounted exercise price;

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- (b) as the monetary cost of granting Options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from an exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our Company's EPS;
- (c) the effect of the issue and allotment of new Shares upon the exercise of Options on our Company's NAV per Share is accretive if the exercise price is above the NAV per Share, but dilutive otherwise; and
- (d) the grant of Options under the ESOS will have an impact on our Company's reported profit because under FRS 102, Share Based Payment requires the recognition of an expense in respect of Options granted under the ESOS. The expense will be based on the fair value of the Options at date of grant and will be recognised over the vesting period.

The financial effects discussed above in (a), (b) and (c) would only materialise upon the exercise of the relevant Options. The cost of granting Options discussed in (d) above would be recognised in the financial statements even if the Options discussed in (d) above are not exercised.

Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an option. As our Company is required to account for share-based awards granted to our employees, the cost of granting Options will affect our financial results as this cost to our Company would be required to be charged to our Company's profit or loss commencing from the time Options are granted. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the net tangible assets of our Company and our share capital base will grow. Where Options are granted with exercise prices that are set at a discount to the market prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options would be diminished by the quantum of the discount given, as compared with the cash inflow that would have been receivable by our Company had the Options been granted at the market price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting rules in FRS 102. The cost to our Company in granting an Option would vary depending on the number of Options granted pursuant to the ESOS, whether these Options are granted at Market Price or at a discount and the validity period of the Options. Generally a greater discount and a longer validity period for an Option will result in higher potential cost to our Company.

Rationale for participation by the Controlling Shareholders and Associates of our Controlling Shareholders in the ESOS

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the ESOS to confirmed full-time employees who are Controlling Shareholders or Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of our Controlling Shareholders or the Associates of the Controlling Shareholders in the ESOS will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although participants who are Controlling Shareholders or Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the ESOS to include them ensures that they are equally entitled, with the other employees of our Group who are not Controlling Shareholders or Associates of our Controlling Shareholders, to take

THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the ESOS solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholder(s).

The specific approval of our independent Shareholders is required for the proposed participation of any Controlling Shareholder and/or their Associates in the ESOS as well as any specific grant thereunder to such persons. Separate resolutions must be passed for each such person and, in the case of a grant, the resolution must state the actual number of Shares comprised in the specific grant and its applicable terms, as well as the Company's rationale for such proposal. On the foregoing basis, we are of the view that there are sufficient safeguards against abuse resulting from the participation of the Controlling Shareholders and/or their Associates in the ESOS.

Rationale for participation by our Non-Executive Directors (including Independent Directors) in the ESOS

While the ESOS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include the Non-Executive Directors (including Independent Directors).

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to our Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping our Group shape its business strategy by allowing our Group to draw on their diverse backgrounds and working experience. Although our Non-Executive Directors are not involved in the day-to-day running of our operations, they play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. It is crucial for our Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of Shareholders, our Company aims to inculcate a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of our Group.

The participation by Non-Executive Directors in the ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Non-Executive Directors may bring strategic or other value to our Company which may be difficult to quantify in monetary terms. The grant of Options to Non-Executive Directors will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as Non-Executive Directors, and to motivate existing Non-Executive Directors to take extra efforts to promote the interests of our Company and/or our Group.

However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, for the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors, taking into consideration, *inter alia*, his performance and contributions to the success and development of our Group, his committee memberships in our Group, as well as his contribution, which includes contribution of his experience in the areas of overall business strategies, risk management and investment decisions.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-Executive Directors, we intend to grant only a nominal number of Options to such Non-Executive Directors. The Committee may also decide that no Options shall be granted in any financial year or no Option may be granted at all.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will use best efforts to implement the good practices recommended in the Code of Corporate Governance 2012 (“**Code**”). Our Board of Directors has formed three committees, namely, the Audit Committee, the Remuneration Committee and the Nominating Committee.

BOARD PRACTICES

Our Directors do not currently have a fixed term of office. Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled “Selected Extracts of our Articles of Association” in Appendix D of this Offer Document.

Nominating Committee

Our Nominating Committee comprises Pong Chen Yih, Lee Kim Huat and Tan Chew Joo. The Chairman of the Nominating Committee is Pong Chen Yih. Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director’s contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (d) reviewing and approving any new employment of related persons and the proposed terms of their employment.

Our Nominating Committee will decide how our Board’s performance is to be evaluated and will propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term Shareholders’ value. Our Board will also implement a process to be carried out by our Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of our Nominating Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Remuneration Committee

Our Remuneration Committee comprises Lee Choong Hiong, Lee Kim Huat and Pong Chen Yih. The Chairman of the Remuneration Committee is Lee Choong Hiong.

CORPORATE GOVERNANCE

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, the Options to be issued under the ESOS and other benefits-in-kind shall be covered by our Remuneration Committee.

In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and/or Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Audit Committee

Our Audit Committee comprises Lee Kim Huat, Lee Choong Hiong and Pong Chen Yih. The Chairman of the Audit Committee is Lee Kim Huat.

Our Audit Committee will meet periodically to perform the following functions:

- (a) review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of our Group and any announcements relating to our Group's financial performance;
- (b) review and report to our Board at least annually the adequacy and effectiveness of our Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (c) review the effectiveness and adequacy of our Group's internal audit function;
- (d) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (e) make recommendations to our Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- (f) review the system of internal controls and management of financial risks with our internal and external auditors;
- (g) review the co-operation given by our management to our external auditors and our internal auditors, where applicable;
- (h) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;
- (i) review and approve Interested Person Transactions and review procedures thereof;

CORPORATE GOVERNANCE

- (j) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (k) review our risk management framework, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;
- (l) investigate any matters within its terms of reference;
- (m) review the policy and arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (n) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee shall also commission an annual internal control audit until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by our Audit Committee as and when it deems fit to satisfy itself that our Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Currently, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management and our Board, our Board, with the concurrence of our Audit Committee, is of the view that our internal control procedures are adequate to address financial, operational and compliance risks.

DESCRIPTION OF ORDINARY SHARES

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Singapore and our Articles of Association (“**Articles**”).

The following description summarises the material provisions of our Articles but is qualified by reference to our Articles, a copy of which is available for inspection at our registered office during normal business hours for a period of six months from the date of this Offer Document.

Ordinary Shares

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval of our Shareholders in a general meeting. The aggregate number of Shares to be issued pursuant to such approval may not exceed 100% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to our Shareholders may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital (the percentage of issued share capital being based on our Company’s issued share capital at the time such authority is given after adjusting for new Shares arising from the conversion of convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or subdivision of Shares).

The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is earlier. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in the Register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our Register of Shareholders for any time or times if we provide the Accounting and Corporate Regulatory Authority of Singapore with at least 14 days’ notice and the SGX-ST at least five clear market days’ notice. However, the Register of Shareholders may not be closed for more than 30 days in aggregate in any calendar year. We typically close our Register of Shareholders to determine Shareholders’ entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules or the rules or by-laws of any stock exchange on which our Company is listed. Our Board of Directors may decline to register any transfer of Shares which are not fully paid Shares

DESCRIPTION OF ORDINARY SHARES

or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which the Company is listed. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if it is properly notified and if the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Board of Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10% of the total voting rights of all Shareholders request in writing that such a meeting be held. In addition, two or more Shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by our Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and our Articles, a change of our corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be Shareholders. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in our Articles, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote (provided that in the case of a Shareholder who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, the chairman of the meeting in his sole discretion shall be entitled to vote on a show of hands), and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

DESCRIPTION OF ORDINARY SHARES

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders. All dividends are paid *pro rata* among our Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Capitalisation and Rights Issues

Our Board of Directors may, with approval by our Shareholders at a general meeting, capitalise any reserves or profits (including profits or money carried and standing to a reserve) and distribute the same as Shares credited as paid-up to the Shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Takeovers

The SFA and the Singapore Code on Takeovers and Mergers (the "**Takeover Code**") regulate the acquisition of ordinary shares of public companies and certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting shares must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Takeover Code. Persons presumed to be "acting in concert" include and are not limited to a company and its parent company, its subsidiaries, and fellow subsidiaries and its parent company, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial or other professional advisor and its client in respect of shares held by the financial advisor and shares in the client held by funds managed by the financial advisor on a discretionary basis. A mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding six months.

A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any six-month period. Under the Takeover Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert within the preceding six months.

Liquidation or Other Return of Capital

If we liquidate or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

DESCRIPTION OF ORDINARY SHARES

Indemnity

To the extent permitted by Singapore law, our Articles provide that, subject to the Companies Act, our Board of Directors and officers shall be entitled to be indemnified by us against any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer, director or employee and in which judgment is given in their favour or in which they are acquitted or in connection with any application under any statute for relief from liability in respect thereof in which relief is granted by the court. We may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust on their part in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by our Articles on the rights of non-resident Shareholders to hold or vote in respect of the Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected, *inter alia*, under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the Shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of the affairs of the Company in the future;
- (c) authorise civil proceedings to be brought in our name of, or on behalf of, the Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) provide that the Memorandum of Association or the Articles be amended; or
- (f) provide that we be wound up.

DESCRIPTION OF ORDINARY SHARES

Treasury Shares

Our Articles expressly permits our Company to purchase or acquire Shares or stocks of our Company and to hold such Shares or stocks (or any of them) as treasury shares in accordance with requirements of Section 76 of the Companies Act. Our Company may make a purchase or acquisition of our own Shares on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting, or otherwise than on a securities exchange, if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury shares shall not at any time exceed 10% of the total number of Shares of our Company at that time. Any excess Shares shall be disposed or cancelled before the end of a period of six months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those Shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding up) may be made, to our Company in respect of the treasury shares. However, this would not prevent an allotment of shares as fully paid bonus shares in respect of the treasury shares or the subdivision or consolidation of any treasury share into treasury share of a smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; or (iv) cancel the Shares (or any of them).

Substantial Shareholders

The SFA requires our Substantial Shareholders to give notice to us of certain information as prescribed by the Authority, including particulars of their interest, within two business days of becoming aware of being our Substantial Shareholders or ceasing to be our Substantial Shareholder and being aware of any change in the percentage level of their interest. "Percentage level", in relation to a Substantial Shareholder, is the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time, as a percentage of the total votes attached to all of the voting shares (excluding treasury shares), and if it is not a whole number, rounding that figure down to the next whole number.

Under the SFA, a person has a substantial shareholding in us if he has an interest (or interests) in one or more of our voting shares (excluding treasury shares) and the total votes attached to those shares are not less than 5.0% of the total votes attached to all of our voting shares (excluding treasury shares).

EXCHANGE CONTROLS

Singapore

There are no Singapore government laws, decrees, regulations or other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

Malaysia

In accordance with the current Exchange Control Notices of Malaysia issued by Bank Negara Malaysia, foreign direct investors have the freedom to repatriate their investments including capital, profit and dividends without being subject to any levy. There are also no restrictions on the repatriation of capital, profits, dividends, interests, fees or rental income by foreign direct investors or portfolio investors.

PRC

The People's Bank of China ("**PBOC**"), with the authorisation of the State Council, issued on 28 December 1993 the Notice of the People's Bank of China on Operational Issues Concerning the Implementation of the Notice of the State Council on the Further Reform of the Foreign Exchange Control System (中国人民银行关于贯彻《国务院关于进一步改革外汇管理体制的通知》有关操作问题的通知). On 29 January 1996, the State Council promulgated the PRC Foreign Exchange Administration Regulations (中华人民共和国外汇管理条例) which took effect on 1 April 1996 and revised on 14 January 1997 and further revised on 5 August 2008. On 20 June 1996, the PBOC issued the Administration Regulations on the Settlement, Sale and Payment of Foreign Exchange (结汇, 售汇及付汇管理规定), which took effect on 1 July 1996. On 25 October 1998, the PBOC and the State Administration for Foreign Exchange ("**SAFE**") issued a Joint Announcement on Abolishment of Foreign Exchange Swap Business (中国人民银行、国家外汇管理局关于停办外汇调剂业务的通知) which stated that from 1 December 1998, all foreign exchange transactions for foreign investment enterprises may only be conducted through authorised banks.

These regulations contain detailed provisions regulating the holding, sale and purchase of foreign exchange by individuals, enterprises, economic bodies and social organisations in the PRC.

Under the new regulations, the previous dual exchange rate system for RMB was abolished and a unified floating exchange rate system based largely on supply and demand was introduced. The PBOC, having regard to the trading prices between RMB and major foreign currencies on the inter-bank foreign exchange market, publishes on each bank business day the RMB exchange rates against major foreign currencies. The foreign exchange earnings of domestic organisations and individuals may be remitted back to the PRC or held abroad. The provisions regarding the requirements, time limit to remit back or hold abroad shall be made by SAFE based on the balance of international payments and foreign exchange administrative requirements. The recurrent foreign exchange earnings may, in accordance with relevant provisions of the PRC, be retained or sold to the financial institutions engaged in settlement and sale of foreign exchange while the reservation or sale of capital foreign exchange earnings to the aforesaid financial institutions shall be approved by the foreign exchange administration authority unless otherwise provided by the state.

EXCHANGE CONTROLS

At present, control on the purchase of foreign exchange is being relaxed. Enterprises which require foreign exchange for their current activities such as trading activities and payment of staff remuneration may purchase foreign exchange from designated banks, subject to the production of relevant supporting documents without the need for any prior approvals by SAFE.

In addition, where an enterprise requires any foreign exchange for the payment of dividends that are payable in foreign currencies under applicable regulations, such as the distribution of profits by a foreign investment enterprise to its foreign investment party, then, subject to the due payment of tax on such dividends the amount required may be withdrawn from funds in foreign exchange accounts maintained with designated banks, and where the amount of the funds in foreign exchange is insufficient, the enterprise may purchase additional foreign exchange from designated banks upon the presentation of the resolutions of the board of directors on the profit distribution plan of that enterprise.

Despite the relaxation of foreign exchange control over current account transaction, the approval of the foreign exchange administration authority is still required before a PRC enterprise may borrow a loan in foreign currency from abroad or provide any guarantee to institutions outside the territory of the PRC or foreign-funded financial institutions within the territory of the PRC.

When conducting actual foreign exchange transactions, the designated banks may, based on the exchange rate published by the PBOC and subject to certain limits, freely determine the applicable exchange rate.

The China Foreign Exchange Trading Centre (“**CFETC**”) was formally established and came into operation in April 1994. CFETC has set up a computerised network with sub-centres in several major cities, thereby forming an interbank market in which designated PRC banks can trade in foreign exchange and settle their foreign currency obligations. Prior to 1 December 1998, enterprises with foreign investment may at their own choice enter into exchange transactions through swap centre or through designated PRC banks. From 1 December 1998 onwards, exchange transactions will have to be conducted through designated banks. Swap centres became restricted to conducting foreign exchange transactions between authorised banks and inter-bank lending between PRC banks.

TAXATION

Singapore Taxation

The following is a discussion of certain tax matters relating to Singapore income tax, capital gains tax, stamp duty, estate duty and Goods and Services Tax (“**GST**”) consequences in relation to the purchase, ownership and disposal of our Shares based on the current tax laws in Singapore. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase our Shares. It is also not intended to be and does not constitute legal or tax advice. The discussion below is based on the assumption that our Company is a tax resident in Singapore for Singapore income tax purposes. The laws, regulations and interpretations, may change at any time, and any change could be made on a retroactive basis. These laws and regulations are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts of Singapore will agree with the explanations or conclusions set out below or that changes in such laws and regulations will not occur.

Prospective investors of our Shares should consult their tax advisers and/or legal advisers concerning the tax consequences of owning and disposing our Shares. Neither our Company, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

INCOME TAX

(i) Individual Taxpayers

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore for 183 days or more, or if he ordinarily resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore. All foreign-source income received (except for certain income received through a partnership in Singapore) in Singapore by Singapore tax resident individuals is exempt from Singapore income tax if the Inland Revenue Authority of Singapore (“**IRAS**”) is satisfied that the tax exemption would be beneficial to the individual.

Singapore tax-resident individuals are subject to tax based on progressive rates, currently ranging from 0% to 20%.

Non-Singapore tax-resident individuals, subject to certain exceptions, are subject to Singapore income tax on income accrued in or derived from Singapore. They are generally subject to tax at 20% except for Singapore employment income which is subject to tax at a flat rate of 15% or at the resident rate, whichever is higher.

(ii) Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore. Normally, the control and management of a company is vested in its board of directors and hence a company is usually regarded as a tax resident of Singapore if its board of directors holds the majority of its board meetings in Singapore.

TAXATION

Corporate taxpayers are subject to Singapore income tax on income accrued in or derived from Singapore and foreign-source income received or deemed to be received in Singapore from outside Singapore (unless otherwise exempted). Foreign-source income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by Singapore tax resident companies are exempt from tax if certain prescribed conditions are met.

The first S\$300,000 of normal chargeable income is exempt from tax as follows:

- (a) 75% of up to the first S\$10,000; and
- (b) 50% of up to the next S\$290,000.

The remaining chargeable income (after deducting the applicable tax exemption of the first S\$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently at 17%.

DIVIDEND DISTRIBUTIONS

(i) One Tier Corporate Taxation System

Singapore currently adopts the one-tier corporate taxation system (“**one-tier system**”). Under the one-tier system, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to its shareholders as tax exempt (“**one-tier**”) dividends. One-tier dividends are tax exempt in the hands of all shareholders, regardless of the tax residence status or the legal form of the shareholders.

(ii) Withholding Taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

CAPITAL GAINS TAX

There is currently no tax on capital gains in Singapore.

Gains derived from the disposal of our Shares that are acquired for long-term investment purposes are generally considered to be capital in nature and not subject to Singapore tax.

On the other hand, where the taxpayer is deemed by the IRAS to be carrying on a trade or business in Singapore of dealing in shares, the gains from the disposal of shares are likely to be regarded as revenue in nature and subject to Singapore income tax. Shareholders should consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

TAXATION

Subject to certain conditions being met, with effect from 1 June 2012 and for a period of five years, gains derived from the disposal of ordinary shares by companies are automatically treated as non-taxable capital gains, if the divesting company holds a minimum shareholding of 20% of the ordinary shares in the company whose shares are being disposed for a continuous period of at least 24 months immediately prior to the date of the share disposal.

In addition, shareholders who adopt the tax treatment to be aligned with FRS 39, Financial Instruments – Recognition and Measurement may be taxed on fair value gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Foreign sellers are advised to consult their own tax advisers to take into account the applicable tax laws of their respective home countries or countries of residence as well as the provisions of any applicable double taxation agreement.

STAMP DUTY

No stamp duty is payable on the subscription and issuance of our Shares.

Where existing Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of S\$0.20 for every S\$100 or any part thereof of the consideration for, or market value of the Shares, whichever is higher. The purchaser is liable for stamp duty, unless otherwise agreed.

No stamp duty is payable if no instrument of transfer is executed (such as in the case of scrippless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the CDP system.

ESTATE DUTY

Singapore estate duty has been abolished since 15 February 2008.

GOODS AND SERVICES TAX

The sale of our Shares by a GST-registered investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST.

Any GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a zero-rated supply (that is, subject to GST at 0%). Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

TAXATION

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing rate (currently of 7.0%). Similar services rendered contractually to an investor belonging outside Singapore should qualify for zero-rating (that is, subject to GST at 0%) provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding our Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$20.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any within two (2) years from the date he ceased to be a partner;
 - (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) has, at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and
- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosures relating to our Executive Chairman and Managing Director, Danny Siaw, and our Executive Director and Cost Director, Tan Chew Joo

In late 2009, Danny Siaw assisted the Commercial Affairs Department (“CAD”) in their investigations of complaints filed by his previous employer, Magdecon Projects Pte Ltd (“Magdecon”) against Tan Chew Joo relating to (i) Magdecon’s investment in another company (“Investment”); and (ii) Tan Chew Joo’s technical services consultancy contract with Magdecon (“CAD Investigations”). Magdecon had alleged that Tan Chew Joo’s technical services consultancy contract was not properly drawn up and the Investment was illegally made by him to a company (“Tele-Access”) which his daughter was a substantial shareholder and director of. As a director of Magdecon, Danny Siaw was aware that (i) the Investment had been approved by the then board of directors of Magdecon in 2001 when the board of directors consisted of Tan Chew Joo, Danny Siaw and Robert Oei; and (ii) Tan Chew Joo’s technical services consultancy contract was properly drawn up as Danny Siaw had been given the authority by the then board of directors of Magdecon in 2007 when the board of directors consisted of Tan Chew Joo, Danny Siaw, Robert Oei, Lee Yeow Cher and David Ong to retain Tan Chew Joo’s services with Magdecon and he had, for and on behalf of Magdecon, signed off on Tan Chew Joo’s technical services consultancy contract. Danny Siaw was not the subject of the CAD Investigations and has not been contacted thereafter by the CAD to assist in any further investigations. Tan Chew Joo was not contacted or charged by the CAD in relation to the CAD Investigations.

In relation to the Investment, Magdecon had also filed a writ of summons against Tele-Access and Tan Chew Joo on 5 November 2009. Magdecon had alleged that Tan Chew Joo had, in breach of his statutory duties as a director of Magdecon, failed to declare his interest in the Investment and/or failed to procure the payment of the sums owing by Tele-Access under the

GENERAL AND STATUTORY INFORMATION

Investment. This dispute was eventually resolved amicably in favour of Tan Chew Joo through a settlement agreement dated 10 May 2010, which was initiated by Magdecon and a notice of discontinuance/withdrawal was filed on 26 May 2010.

In late 2009 and early 2010, Danny Siaw assisted the MOM twice, in his capacity as the managing director of Magdecon, in their investigations of possible offences in respect of MYE allocation ("**MOM Investigations**") as a complaint had been filed with the MOM by two other directors of Magdecon, alleging that Tan Chew Joo had misused the MYE. During the course of the MOM Investigations, it was found that the sub-contractors of Magdecon had misused the MYE allocated to them. Danny Siaw was not the subject of the MOM Investigations and has not been contacted thereafter by the MOM to assist in any further investigations. Tan Chew Joo was also interviewed twice by the MOM in late 2009 in relation to the MOM Investigations and was summoned as a prosecution witness when charges were brought against the sub-contractors by the MOM. However, the sub-contractors pleaded guilty before Tan Chew Joo was required to take the witness stand. Tan Chew Joo was not charged by the MOM in relation to the MOM Investigations.

Disclosures relating to our Non-Executive Director, Thomas Woo Sai Meng

In or about September 2001, Thomas Woo Sai Meng, being the then executive vice president (finance) of Freight Links, attended a few interviews by the CAD in their investigation on David Lim Teck Hiang, who was then the chairman, CEO and controlling shareholder of Freight Links in connection with a charge under the then Section 56(1) of the Companies Act. It was alleged that in July 1999, David Lim Teck Hiang had authorised the issue by Freight Links of a document deemed to be a prospectus in relation to a placement exercise undertaken by Freight Links, which contained an untrue statement as to the prospects of the Freight Links group's operations. During the interviews by the CAD, Thomas Woo Sai Meng provided information to the CAD on the finance function of Freight Links. Thomas Woo Sai Meng understands that the then board of directors of Freight Links was not queried or sanctioned by the SGX-ST. David Lim Teck Hiang subsequently pleaded guilty to the charge and was fined S\$10,000. Thomas Woo Sai Meng was not the subject of the CAD investigation and was not charged by the CAD in relation to its investigations. He has not been contacted thereafter by the CAD to assist in any further investigations.

2. There is no shareholding qualification for Directors under the Articles of Association.
3. Save as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, none of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Offer Document, been acquired or disposed of by or leased to, our Company or our subsidiaries.
4. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or to any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

GENERAL AND STATUTORY INFORMATION

5. Save as disclosed in the sections entitled “Interested Person Transactions”, “General Information on Our Group” and “Restructuring Exercise” of this Offer Document:
- (a) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
 - (b) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
 - (c) None of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services; and
 - (d) None of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company, our subsidiaries and our associated company, taken as a whole.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in our Articles of Association.
7. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there are no changes in the issued and paid-up share capital of our Company, our subsidiaries and our associated company within the last three years preceding the date of this Offer Document.
8. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries or associated company have been issued, or are proposed to be issued, as fully or partially paid for cash or for a consideration other than cash, during the last three years.
9. Apart from the Figtree Employee Share Option Scheme, our Company does not have any arrangement that involves the issue or grant of options or Shares to the Directors or employees of our Group.

MATERIAL CONTRACTS

10. Save as disclosed below, the Company, its subsidiaries and its associated company have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two years preceding the date of lodgement of this Offer Document:
- (a) share swap agreement dated 8 October 2013 entered into between our Company, Danny Siaw, Robert Oei, Singapore Enterprises, Eileen Tan, Fung Tze Ping and Teoh Hoon Song, pursuant to which our Company acquired from Danny Siaw, Robert Oei and Singapore Enterprises the entire issued and paid-up share capital of Figtree Projects held by them, comprising an aggregate of 1,000,000 ordinary shares for a total consideration of S\$9,152,595 based on the unaudited NTA of Figtree Projects and its

GENERAL AND STATUTORY INFORMATION

subsidiaries as at 30 June 2013. The purchase consideration was satisfied by the issue and allotment of an aggregate of 999,998 Shares in the capital of our Company (“**Consideration Shares**”), credited as fully paid-up and was arrived at on a willing buyer willing seller basis. For further details, please refer to the section entitled “Restructuring Exercise” of this Offer Document.

LITIGATION

11. From time to time, we may be subject to personal injury claims by workers who were involved in accidents at our work sites during the course of their work. Generally, such claims are settled through our insurers pursuant to the workmen compensation scheme or pursuant to a claim under common law. Save as disclosed, to the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group’s financial position or profitability of our Company or our subsidiaries.

MANAGEMENT AND PLACEMENT ARRANGEMENTS

12. Pursuant to the Management Agreement dated 29 October 2013 entered into between our Company and PPCF as the Manager and Sponsor, our Company appointed PPCF to sponsor and manage the Listing. PPCF will receive a management fee for such services rendered.
13. Pursuant to the Placement Agreement dated 29 October 2013 entered into between our Company and PPCF as the Placement agent, the Placement Agent has agreed to procure subscriptions for the Placement Shares for a placement commission of 3.0% of the aggregate Placement Price for the total number of Placement Shares which the Placement Agent has successfully subscribed for payable by our Company. Subject to any applicable laws and regulations, the Company agrees that the Placement Agent shall be at liberty at its own expense to appoint one or more sub-placement agents under the Placement Agreement upon such terms and conditions as the Placement Agent may deem fit.
14. Subject to the consent of the SGX-ST being obtained, the Management Agreement may be terminated by PPCF at any time before the close of the Application List on the occurrence of certain events including, but not limited to, the following:
 - (a) PPCF becomes aware of any material breach by our Company and/or its agent(s) of any warranties, representations, covenants or undertakings given by our Company to PPCF in the Management Agreement;
 - (b) there shall have been, since the date of the Management Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of PPCF; or
 - (c) there is any dispute, conflict or disagreement with our Company or our Company wilfully fails to comply with any advice from or recommendation of PPCF.

GENERAL AND STATUTORY INFORMATION

15. The Placement Agreement and the obligations of the Placement Agent under the Placement Agreement are conditional upon:
- (a) the Offer Document having been registered by the SGX-ST, acting as agent on behalf of the Authority by the date of Registration in accordance with the Catalist Rules;
 - (b) the notice of registration ("**Registration Notice**") being issued or granted by the SGX-ST, acting as agent on behalf of the Authority and such Registration Notice not being revoked or withdrawn on or prior to the date of settlement of subscriptions of Placement Shares ("**Closing Date**");
 - (c) the compliance by our Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the Registration Notice (if any), where such conditions are required to be complied with by the Closing Date;
 - (d) the SGX-ST not having withdrawn or changed the terms and conditions of its listing and quotation notice for the admission of our Company to Catalist and our Company having complied with any conditions contained therein required to be complied with prior to the admission of our Company to Catalist;
 - (e) such approvals as may be required for the transactions described in the Placement Agreement and in the Offer Document in relation to the admission of our Company to Catalist and the Placement being obtained, and not withdrawn or amended, on or before the date on which our Company is admitted to Catalist (or such other date as the Company and the Placement Agent may agree in writing);
 - (f) there having been, in the reasonable opinion of the Placement Agent, no material adverse change or any development likely to result in a material adverse change in the financial or other condition of our Group between the date of the Placement Agreement and the Closing Date nor the occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect, as at the Closing Date, any of the warranties or representations contained in Clause 6 of the Placement Agreement nor any breach by our Company of any of our obligations thereunder;
 - (g) the compliance by our Company with all applicable laws and regulations concerning the admission of our Company on Catalist, the listing of the Shares on Catalist and the transactions contemplated in the Placement Agreement and the Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of the Placement Agent, has or may have an adverse effect on the Placement and the listing of the Shares on Catalist;
 - (h) the delivery by our Company to the Placement Agent on the Closing Date of a certificate, in the form set out in Schedule 2 to the Placement Agreement, signed by a Director for and on behalf of our Company respectively;
 - (i) the delivery to the Placement Agent of a copy of the legal due diligence reports prepared by Drew & Napier LLC, Vaasan Chan & Chandran and Dacheng Law Offices LLP in relation to the admission of our Company on Catalist and the Placement Agent being satisfied with the results, findings, advice, opinions and/or conclusions set out in such reports;

GENERAL AND STATUTORY INFORMATION

- (j) the letters of undertaking referred to in the Offer Document under the sections entitled “Shareholders – Moratorium” being executed and delivered to the Manager and Sponsor before the date of registration of the Offer Document; and
- (k) the Management Agreement not being terminated or rescinded pursuant to the provisions of the Management Agreement.

MISCELLANEOUS

- 16. There has not been any public takeover offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between HY2013 and the Latest Practicable Date.
- 17. No expert is employed on a contingent basis by our Company, our subsidiaries or our associated company, or has a material interest, whether direct or indirect, in the shares of our Company, our subsidiaries or our associated company, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.
- 18. No amount of cash or securities or benefit has been paid or given to any promoter within the two years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
- 19. Save as disclosed in the section entitled “General and Statutory Information – Management and Placement Agreements” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company, our subsidiaries or our associated company.
- 20. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
- 21. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company, our subsidiaries and our associated company.
- 22. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (ii) material commitments for capital expenditure;
 - (iii) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and

GENERAL AND STATUTORY INFORMATION

- (iv) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.
23. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since the end of HY2013 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
24. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company since the incorporation of our Company are as follows:

Name, professional qualification and address	Professional body	Partner-in-charge/Professional qualification
Ernst & Young LLP/Public Accountants and Chartered Accountants/One Raffles Quay, North Tower, Level 18, Singapore 048583	Institute of Singapore Chartered Accountants	Tan Chian Khong/a member of the Institute of Singapore Chartered Accountants

We currently have no intention of changing our auditors after the listing of our Company on Catalist.

CONSENTS

25. The Independent Auditor and Reporting Accountant, Ernst & Young LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Independent Auditor’s Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012” as set out in Appendix A of this Offer Document, “the Independent Auditor’s Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013” as set out in Appendix B of this Offer Document and the “Independent Auditor’s Report on the Unaudited Pro Forma Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013” as set out in Appendix C of this Offer Document and all references thereto in the form and context in which they are respectively included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
26. The Manager, Sponsor and Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they respectively appear in this Offer Document and to act in such respective capacities in relation to this Offer Document.
27. Each of the Placement Agent, the Solicitors to the Placement and Legal Adviser to our Company on Singapore Law, the Legal Adviser to our Company on Malaysian Law, the Legal Adviser to our Company on PRC Law, the Share Registrar and Transfer Agent, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this

GENERAL AND STATUTORY INFORMATION

Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

28. This Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available source or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS FOR INSPECTION

29. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six months from the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):
- (i) the Memorandum and Articles of Association of our Company;
 - (ii) the Independent Auditor's Report on the Audited Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial years ended 31 December 2010, 2011 and 2012;
 - (iii) the Independent Auditor's Report on the Unaudited Interim Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial period from 1 January 2013 to 30 June 2013;
 - (iv) the Independent Auditor's Report on the Unaudited Pro Forma Consolidated Financial Statements of Figtree Holdings Limited and its subsidiary companies for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013;
 - (v) the audited financial statements of Figtree Projects for FY2010, FY2011 and FY2012;
 - (vi) the audited financial statements of Figtree Malaysia for FY2011 and FY2012;
 - (vii) the audited financial statements of Figtree Shanghai for FY2011 and FY2012;
 - (viii) the Service Agreements referred to in this Offer Document;
 - (ix) the material contracts referred to in this Offer Document; and
 - (x) the letters of consent referred to in this Offer Document.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

**FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Report on Audited Consolidated Financial Statements
For the financial years ended
31 December 2010, 2011 and 2012

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Statement by Directors

We, Siaw Ken Ket @ Danny Siaw and Tan Chew Joo, being two of the Directors of Figtree Holdings Limited (the “Company”), do hereby state that, in the opinion of the Directors,

- (a) the accompanying consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated cash flow statements together with notes thereto, are drawn up so as to present fairly, in all material respects, the state of affairs of the Company and its subsidiary companies (collectively, the “Group”) as at 31 December 2010, 2011 and 2012 and of the results, changes in equity and cash flows of the Group for the financial years ended on those dates; 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.

On behalf of the Board of Directors,

Siaw Ken Ket @ Danny Siaw
Director

Tan Chew Joo
Director

Singapore
29 October 2013

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Report from the Independent Auditor in Relation to the Audited Consolidated Financial Statements of Figtree Holdings Limited and its Subsidiary Companies for the financial years ended 31 December 2010, 2011 and 2012

29 October 2013

The Board of Directors
Figtree Holdings Limited
315 Outram Road
#13-10 Tan Boon Liat Building
Singapore 169074

Dear Sirs,

We have audited the accompanying consolidated financial statements of Figtree Holdings Limited (the “Company”) and its subsidiary companies (collectively, the “Group”), comprising the consolidated balance sheets as at 31 December 2010, 2011 and 2012, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for each of the financial years ended 31 December 2010, 2011 and 2012, and a summary of significant accounting policies and other explanatory notes, as set out on pages A-5 to A-56.

Management’s responsibility for the financial statements

The Company’s management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provisions of Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Report from the Independent Auditor in Relation to the Audited Consolidated Financial Statements of Figtree Holdings Limited and its Subsidiary Companies for the financial years ended 31 December 2010, 2011 and 2012 (cont’d)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned consolidated financial statements of the Group present fairly, in all material respects, the state of affairs of the Group as at 31 December 2010, 2011 and 2012, and its results of operations, changes in equity and cash flows for each of the financial years ended 31 December 2010, 2011 and 2012 in accordance with Singapore Financial Reporting Standards.

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on Catalist.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Tan Chian Khong
Partner

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Income Statements for the financial years ended 31 December 2010, 2011 and 2012

(Amounts in Singapore dollars)

	Note	2012 S\$	2011 S\$	2010 S\$
Revenue	5	59,914,164	16,361,823	160,273
Cost of sales		(54,176,456)	(14,628,348)	(122,030)
Gross profit		<u>5,737,708</u>	<u>1,733,475</u>	<u>38,243</u>
Other income	6	63,407	7,787	225
Administrative costs		(1,335,326)	(816,355)	(283,965)
Finance costs	7	–	(7,311)	–
Profit/(loss) before taxation	8	4,465,789	917,596	(245,497)
Tax expense	9	(648,479)	(117,742)	–
Profit/(loss) for the year		<u>3,817,310</u>	<u>799,854</u>	<u>(245,497)</u>
Profit/(loss) attributable to:				
Equity holders of the Company		3,811,406	780,476	(245,497)
Non-controlling interests		5,904	19,378	–
		<u>3,817,310</u>	<u>799,854</u>	<u>(245,497)</u>
Earnings/(loss) per share				
Basic and diluted (cents)	10	<u>1.71</u>	<u>0.35</u>	<u>(0.11)</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Consolidated Statements of Comprehensive Income for the financial years ended 31
December 2010, 2011 and 2012**

(Amounts in Singapore dollars)

	2012	2011	2010
	S\$	S\$	S\$
Profit/(loss) for the year	3,817,310	799,854	(245,497)
Other comprehensive income:			
– Net effect of exchange differences arising from translation of financial statements of foreign operations	(79)	124	–
Other comprehensive income for the year, net of tax	(79)	124	–
Total comprehensive income for the year	<u>3,817,231</u>	<u>799,978</u>	<u>(245,497)</u>
Total comprehensive income attributable to:			
Equity holders of the Company	3,811,327	780,480	(245,497)
Non-controlling interests	5,904	19,498	–
	<u>3,817,231</u>	<u>799,978</u>	<u>(245,497)</u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Balance Sheets as at 31 December 2010, 2011 and 2012

(Amounts in Singapore dollars)

	Note	2012 S\$	2011 S\$	2010 S\$
Non-current assets				
Plant and equipment	11	142,789	52,087	50,955
Current assets				
Advance payment to a subcontractor		59,100	—	—
Trade receivables	13	17,415,294	12,827,930	749
Other receivables	14	2,166,008	759,875	11,057
Prepayments		87,944	2,525	1,569
Cash and short term deposits	15	8,792,392	4,317,267	79,365
		28,520,738	17,907,597	92,740
Current liabilities				
Gross amount due to customers for contract work-in-progress	12	9,906,558	6,335,362	—
Trade and other payables	16	13,125,354	10,351,011	18,641
Provision for taxation		636,086	108,714	—
		23,667,998	16,795,087	18,641
Net current assets		4,852,740	1,112,510	74,099
Non-current liabilities				
Deferred tax liabilities	17	13,701	—	—
Net assets		4,981,828	1,164,597	125,054
Equity attributable to equity holders of the Company				
Share capital	18	1,000,000	600,000	400,000
Accumulated profits/(losses)		3,916,936	505,530	(274,946)
Foreign currency translation reserve	19	300	379	—
		4,917,236	1,105,909	125,054
Non-controlling interests		64,592	58,688	—
Total equity		4,981,828	1,164,597	125,054

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

**APPENDIX A – INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Statements of Changes in Equity for the financial years ended 31 December 2010, 2011 and 2012
(Amounts in Singapore dollars)

	Attributable to equity holders of the Company						
	Share capital (Note 18) S\$	Accumulated losses S\$	Foreign currency translation reserve (Note 19) S\$	Total (deficit)/ reserves S\$	Total equity attributable to equity holders of the Company S\$	Non- controlling interests S\$	Total equity S\$
At 1 January 2010	280,000	(29,449)	–	(29,449)	250,551	–	250,551
Loss for the year	–	(245,497)	–	(245,497)	(245,497)	–	(245,497)
Total comprehensive income for the year	–	(245,497)	–	(245,497)	(245,497)	–	(245,497)
Contributions by and distributions to owners							
Issuance of ordinary shares	120,000	–	–	–	120,000	–	120,000
Total contributions by and distributions to owners	120,000	–	–	–	120,000	–	120,000
At 31 December 2010	400,000	(274,946)	–	(274,946)	125,054	–	125,054

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

**APPENDIX A – INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Statements of Changes in Equity for the financial years ended 31 December 2010, 2011 and 2012 (cont'd)
(Amounts in Singapore dollars)

	Attributable to equity holders of the Company					Total equity attributable to equity holders of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital (Note 18) S\$	Accumulated profits S\$	Foreign currency translation reserve (Note 19) S\$	Total (deficit)/ reserves S\$	Total equity attributable to equity holders of the Company S\$			
At 1 January 2011	400,000	(274,946)	–	(274,946)	125,054	–	–	125,054
–	–	780,476	–	780,476	780,476	19,378	19,378	799,854
Profit for the year	–	–	4	4	4	120	120	124
Other comprehensive income	–	780,476	4	780,480	780,480	19,498	19,498	799,978
Foreign currency translation	200,000	–	–	–	200,000	–	–	200,000
Total comprehensive income for the year	200,000	–	–	–	200,000	–	–	200,000
Contributions by and distributions to owners								
Issuance of ordinary shares	–	–	375	375	375	39,190	39,190	39,565
Total contributions by and distributions to owners	–	–	375	375	375	39,190	39,190	39,565
Changes in ownership interests in subsidiary company	200,000	–	375	375	375	39,190	39,190	239,565
Incorporation of a subsidiary company	–	–	–	–	–	–	–	–
Total changes in ownership interests in subsidiary company	–	–	–	–	–	–	–	–
Total transactions with owners in their capacity as owners	200,000	–	375	375	375	39,190	39,190	239,565
At 31 December 2011	600,000	505,530	379	505,909	1,105,909	58,688	58,688	1,164,597

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

**APPENDIX A – INDEPENDENT AUDITOR'S REPORT ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Statements of Changes in Equity for the financial years ended 31 December 2010, 2011 and 2012 (cont'd)
(Amounts in Singapore dollars)

Attributable to equity holders of the Company							
Share capital (Note 18)	Accumulated profits		Foreign currency translation reserve (Note 19)	Total reserves	Total equity attributable to holders of the Company	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1 January 2012	600,000	505,530	379	505,909	1,105,909	58,688	1,164,597
Profit for the year	–	3,811,406	–	3,811,406	3,811,406	5,904	3,817,310
Other comprehensive income	–	–	(79)	(79)	(79)	–	(79)
Foreign currency translation	–	3,811,406	(79)	3,811,327	3,811,327	5,904	3,817,231
Total comprehensive income for the year							
Contributions by and distributions to owners							
Bonus issue	400,000	(400,000)	–	(400,000)	–	–	–
Total contributions by and distributions to owners							
	400,000	(400,000)	–	(400,000)	–	–	–
Total transactions with owners in their capacity as owners							
	400,000	(400,000)	–	(400,000)	–	–	–
At 31 December 2012	1,000,000	3,916,936	300	3,917,236	4,917,236	64,592	4,981,828

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Cash Flow Statements for the financial years ended 31 December 2010, 2011 and 2012

(Amounts in Singapore dollars)

	2012	2011	2010
	S\$	S\$	S\$
Cash flows from operating activities			
Profit/(loss) before taxation	4,465,789	917,596	(245,497)
Adjustments for:			
Depreciation of plant and equipment	41,236	18,944	14,847
Interest income	(9,235)	–	–
Interest expense	–	7,311	–
Operating cash flows before working capital changes	4,497,790	943,851	(230,650)
(Increase)/decrease in:			
Trade receivables	(4,587,364)	(12,827,181)	9,951
Other receivables and prepayments	(1,550,652)	(749,774)	(2,750)
Increase in:			
Gross amount due to customers for contract work-in-progress	3,571,196	6,335,362	–
Trade and other payables	2,774,343	10,332,370	15,004
Cash flows generated from/(used in) operations	4,705,313	4,034,628	(208,445)
Income tax paid	(107,406)	(9,028)	–
Net cash flows generated from/(used in) operating activities	4,597,907	4,025,600	(208,445)

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Consolidated Cash Flow Statements for the financial years ended 31 December 2010, 2011 and 2012 (cont’d)

(Amounts in Singapore dollars)

	2012	2011	2010
	S\$	S\$	S\$
Cash flows from investing activities			
Purchases of plant and equipment	(131,915)	(20,076)	(21,381)
Interest received	9,235	–	–
Net cash flows used in investing activities	<u>(122,680)</u>	<u>(20,076)</u>	<u>(21,381)</u>
Cash flows from financing activities			
Acquisition of non-controlling interests	–	39,565	–
Proceeds from issuance of ordinary shares	–	200,000	120,000
Interest paid	–	(7,311)	–
Net cash flows generated from financing activities	<u>–</u>	<u>232,254</u>	<u>120,000</u>
Net increase/(decrease) in cash and cash equivalents	4,475,227	4,237,778	(109,826)
Effects of exchange rate changes on cash and cash equivalents	(102)	124	–
Cash and cash equivalents at beginning of the financial year	<u>4,317,267</u>	<u>79,365</u>	<u>189,191</u>
Cash and cash equivalents at end of the financial year (Note 15)	<u><u>8,792,392</u></u>	<u><u>4,317,267</u></u>	<u><u>79,365</u></u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012

1. Corporate information

The Company was incorporated in the Republic of Singapore on 5 June 2013 as a private limited company under the name of Figtree Holdings Pte. Ltd. with an issued and paid up share capital of S\$2 comprising of two ordinary shares. On 11 October 2013, the Company was converted into a public company and changed its name to Figtree Holdings Limited.

The registered office and principal place of business of the Company is located at 315 Outram Road, #13-10 Tan Boon Liat Building, Singapore 169074.

The principal activity of the Company is that of investment holding.

2. Restructuring Exercise

The Group was formed through a Restructuring Exercise in preparation for the Company’s listing on Catalist (the “Restructuring Exercise”). Prior to the Restructuring Exercise, Figtree Projects Pte. Ltd. holds two subsidiary companies, i.e. Figtree Projects Sdn Bhd and Figtree Projects (Shanghai) Co., Ltd. Pursuant to the Restructuring Exercise, the Company became the holding company of the Group.

The Restructuring Exercise is as described below:

(a) Incorporation of the Company

The Company was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2 comprising two shares of which Danny Siaw and Tan Chew Joo each held one share.

(b) Incorporation of Figtree Developments Pte. Ltd.

The subsidiary company, Figtree Developments Pte. Ltd., was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2 comprising two shares held by the Company.

(c) Acquisition of 20% of Vibrant Properties Pte. Ltd.

On 28 August 2013, the subsidiary company, Figtree Developments Pte. Ltd., subscribed for 2,000 shares in the capital of Vibrant Properties Pte. Ltd. at an issue price of S\$1 per share, thereby acquiring 20% interest in the issued and paid-up share capital of Vibrant Properties Pte. Ltd.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

2. Restructuring Exercise (cont’d)

(d) Acquisition of Figtree Projects Pte. Ltd.

Pursuant to a share swap agreement dated 8 October 2013 entered into between Figtree Holdings Pte. Ltd., Danny Siaw, Robert Oei, Singapore Enterprises Private Limited, Eileen Tan, Fung Tze Ping and Teoh Hoon Song, Figtree Holdings Pte. Ltd. acquired from Danny Siaw, Robert Oei and Singapore Enterprises Private Limited the entire issued and paid-up share capital of Figtree Projects Pte. Ltd. held by them, comprising an aggregate of 1,000,000 ordinary shares for a total consideration of S\$9,152,595 based on the unaudited net tangible assets of Figtree Projects Pte. Ltd. and its subsidiary companies as at 30 June 2013. The purchase consideration was satisfied by the issue and allotment of an aggregate of 999,998 shares in the capital of the Company (“**Consideration Shares**”), credited as fully paid-up and was arrived at on a willing buyer willing seller basis. The Consideration Shares were issued and allotted to Danny Siaw, Robert Oei, Singapore Enterprises Private Limited, Eileen Tan, Fung Tze Ping and Teoh Hoon Song in accordance with their percentage of beneficial interest in Figtree Projects Pte. Ltd. immediately prior to the acquisition⁽¹⁾. In addition, under the share swap agreement, Eileen Tan had instructed Figtree Holdings Pte. Ltd. to issue and allot 116,666 of her Consideration Shares to her father, namely, Tan Chew Joo.

- (1) Prior to the acquisition, 710,000 shares in the capital of Figtree Projects Pte. Ltd. were held in the name of Danny Siaw, of which 166,667 shares were held on trust for Eileen Tan, 100,000 shares were held on trust for Fung Tze Ping and 100,000 shares were held on trust for Teoh Hoon Song.

The consolidated financial statements presented for the years ended 31 December 2010, 2011 and 2012 are a continuation of the existing group, comprising the financial position and the results of Figtree Projects Pte. Ltd. and its subsidiary companies.

Pursuant to this, assets, liabilities, reserves, revenue and expenses of Figtree Projects Pte. Ltd. and its subsidiary companies are consolidated at their existing carrying amounts.

For the purpose of the preparation of the consolidated financial statements, the share capital as at 31 December 2010, 2011 and 2012 represents the issued and paid-up share capital of Figtree Projects Pte. Ltd..

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

2. Restructuring Exercise (cont’d)

At the date of this report, the Group structure is as shown below:

Name of company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group %
Held by the Company			
Figtree Projects Pte. Ltd.*	General contractors (building construction including major upgrading works) and providers of general building engineering services	Singapore	100
Figtree Developments Pte. Ltd.*	Property development	Singapore	100
Held through Figtree Projects Pte. Ltd.			
Figtree Projects (Shanghai) Co., Ltd [#] (Formerly known as Figtree Project Consulting (Shanghai) Co., Ltd)	Project management services	People’s Republic of China	60
Figtree Projects Sdn Bhd [@]	Project management services	Malaysia	100
Held through Figtree Developments Pte. Ltd.			
Vibrant Properties Pte. Ltd. ⁺	Real estate activities with own or leased property and real estate developers	Singapore	20

* Audited by Ernst & Young LLP, Singapore.

Audited by Shanghai Yuanzhi Certified Public Accountants.

@ Audited by Gow and Tan Chartered Accountants.

+ Not required to be audited under the law of its country of incorporation.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

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

The consolidated financial statements are presented in Singapore Dollars (SGD or S\$).

3.2 Changes in accounting policies

The accounting policies have been consistently applied by the Group during the financial years ended 31 December 2010, 2011 and 2012, except for the adoption of the new and revised standards and interpretations that are mandatory for annual periods beginning on or after 1 January 2010, 2011 and 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

3.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
FRS 113 <i>Fair Value Measurement</i>	1 January 2013
Amendments to FRS 107 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Improvements to FRSs 2012	1 January 2013
– Amendment to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2013
– Amendment to FRS 16 <i>Property, Plant and Equipment</i>	1 January 2013
– Amendment to FRS 32 <i>Financial Instruments: Presentation</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.3 Standards issued but not yet effective (cont’d)

Except for the Amendments to FRS 1, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below.

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

3.4 Basis of consolidation

The consolidated financial statements presented for the years ended 31 December 2010, 2011 and 2012 are a continuation of the existing group, comprising the financial position and the results of Figtree Projects Pte. Ltd. and its subsidiary companies.

Pursuant to this, assets, liabilities, reserves, revenue and expenses of Figtree Projects Pte. Ltd. and its subsidiary companies are consolidated at their existing carrying amounts.

For the purpose of the preparation of the consolidated financial statements, the share capital as at 31 December 2010, 2011 and 2012 represents the issued and paid up share capital of Figtree Projects Pte. Ltd..

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.4 Basis of consolidation (cont’d)

Basis of consolidation (cont’d)

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

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

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.5 Functional and foreign currency

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

Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates prevailing at the date of the transactions are used. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in a separate component of equity under the header foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.5 Functional and foreign currency (cont’d)

Consolidated financial statements (cont’d)

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

3.6 Subsidiary companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

3.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, the assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The accounting policy for borrowing costs is set out in Note 3.15. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Computers	–	3 years
Office equipment	–	3 years
Furniture and fittings	–	5 years

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year in which the asset is derecognised.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.8 Impairment of non-financial assets

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

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.9 Construction contracts

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

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

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

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

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

Contract revenue comprises the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: sub-contractor costs which include site labour costs, costs of materials used in construction and rental of equipment used on the contract; costs of design; site supervisor costs and technical assistance that is directly related to the contract.

The Group’s contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.9 Construction contracts (cont’d)

Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset;
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset; and
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts are negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin; and
- The contracts are performed concurrently or in a continuous sequence.

3.10 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.10 Financial assets (cont’d)

De-recognition

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

3.11 Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.11 Impairment of financial assets (cont’d)

Financial assets carried at amortised cost (cont’d)

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

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

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

3.12 Cash and cash equivalents

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

3.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.13 Financial liabilities (cont’d)

De-recognition

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

3.14 Provisions

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

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

3.15 Borrowing costs

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

3.16 Government grants

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.17 Employee benefits

(i) Defined contribution plans

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

(ii) Employee leave entitlement

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

3.18 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.19 Revenue

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

(i) Contract revenue

Accounting policy for recognising construction contract revenue is stated in Note 3.9.

(ii) Project management and consultancy fees

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

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Dividend income

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

3.20 Taxes

(a) Current income tax

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.20 Taxes (cont’d)

(b) Deferred tax

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

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

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

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.20 Taxes (cont’d)

(b) Deferred tax (cont’d)

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

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

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

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

(c) Sales tax

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

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.21 Share capital and share issuance expenses

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

3.22 Transactions with non-controlling interests

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

Changes in the Company’s ownership interest in subsidiary companies 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 companies. 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.

3.23 Segment reporting

For management purposes, the Group is organised into operating segments based on strategic business units which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on the segments are shown in Note 26.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.24 Contingencies

A contingent liability is:

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

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

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

3.25 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 the 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 the Company or of a parent of the Company.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

3. Summary of significant accounting policies (cont’d)

3.25 Related parties (cont’d)

- (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 venture of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the 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); or
 - (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).

4. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

4. Significant accounting estimates and judgements (cont’d)

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- ***Useful lives of plant and equipment***

The costs of plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. These are common life expectancies applied in the construction industry. 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. The carrying amount of the Group’s plant and equipment at the balance sheet date was S\$142,789 (2011: S\$52,087, 2010: S\$50,955). A 20% (2011: 20%, 2010: 20%) difference in the expected useful lives of these assets from management’s estimates would result in approximately 0.2% (2011: 0.5%, 2010: 1.5%) variance in the Group’s profit/(loss) before taxation.

- ***Construction contracts***

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amount of the liabilities arising from construction contracts at the balance sheet date was disclosed in Note 12 to the financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

4. Significant accounting estimates and judgements (cont’d)

4.1 Key sources of estimation uncertainty (cont’d)

- ***Impairment of loans and receivables***

The Group assesses at each balance sheet date 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 carrying amount of the Group’s loans and receivables at the end of the reporting period is disclosed in Note 13 to the financial statements.

- ***Income taxes***

The Group has exposure to income taxes mainly in Singapore. 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. The carrying amount of the Group’s tax payable and deferred tax liabilities as at 31 December 2012 was S\$636,086 (2011: S\$108,714, 2010: S\$Nil) and S\$13,701 (2011: S\$Nil, 2010: S\$Nil) respectively.

5. Revenue

	2012	2011	2010
	S\$	S\$	S\$
Contract revenue	59,548,987	16,126,183	153,880
Project management fees	350,247	207,126	–
Consultancy fees	14,930	28,514	6,393
	<u>59,914,164</u>	<u>16,361,823</u>	<u>160,273</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

6. Other income

	2012	2011	2010
	S\$	S\$	S\$
Government grants	54,172	6,301	–
Interest income from fixed deposits	9,235	–	–
Others	–	1,486	225
	<u>63,407</u>	<u>7,787</u>	<u>225</u>

7. Finance costs

	2012	2011	2010
	S\$	S\$	S\$
Interest expense			
– Loans from shareholders	–	7,311	–
	<u>–</u>	<u>7,311</u>	<u>–</u>

8. Profit/(loss) before taxation

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

	2012	2011	2010
	S\$	S\$	S\$
Depreciation of plant and equipment	41,236	18,944	14,847
Foreign exchange loss, net	1,011	–	–
Operating lease expense	102,042	26,208	27,201
Employee benefits expense (Note A)	3,227,771	1,188,139	217,549
Audit fees			
– auditors of the Company	43,000	–	–
– other auditors	–	10,000	–
Non-audit fees			
– other auditors	3,500	6,950	–
	<u>46,500</u>	<u>16,950</u>	<u>–</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

8. Profit/(loss) before taxation (cont’d)

	2012	2011	2010
	S\$	S\$	S\$
Note A: Employee benefits expense			
Employee benefit expense (including directors):			
Salaries, bonus and other benefits	3,127,172	1,121,636	198,947
Defined contribution plans	100,599	66,503	18,602
	<u>3,227,771</u>	<u>1,188,139</u>	<u>217,549</u>

9. Tax expense

Major components of tax expense

The major components of tax expense for the financial years ended 31 December 2012, 2011 and 2010 are:

	2012	2011	2010
	S\$	S\$	S\$
Current taxation			
– current income taxation	634,657	117,742	–
– underprovision in respect of prior years	121	–	–
Deferred taxation			
– movement in temporary differences	13,701	–	–
Tax expense recognised in profit or loss	<u>648,479</u>	<u>117,742</u>	<u>–</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

9. Tax expense (cont’d)

Relationship between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2012, 2011 and 2010 are as follows:

	2012	2011	2010
	S\$	S\$	S\$
Profit/(loss) before taxation	<u>4,465,789</u>	<u>917,596</u>	<u>(245,497)</u>
Tax at domestic rates applicable to profit/(loss) in the countries where the Group operates	760,978	162,598	(41,165)
Adjustments:			
Expenses not deductible for tax purposes	3,062	4,066	41,165
Tax incentives (productivity and innovation credit allowance)	(52,474)	(12,080)	–
Corporate income tax rebate	(30,000)	–	–
Tax effect of Singapore statutory stepped income exemption	(25,925)	(25,925)	–
Under provision in respect of prior years	121	–	–
Others	<u>(7,283)</u>	<u>(10,917)</u>	<u>–</u>
Tax expense recognised in profit or loss	<u>648,479</u>	<u>117,742</u>	<u>–</u>

Unrecognised temporary differences relating to investments in subsidiary companies

At the end of the reporting period, no deferred tax liability (2011: S\$Nil; 2010: S\$Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group’s subsidiary companies as the Group has determined that undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to S\$58,334 (2011: S\$43,573; 2010: S\$Nil). The deferred tax liability is estimated to be S\$2,917 (2011: S\$2,179; 2010: S\$Nil).

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

10. Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the Group’s profit/(loss) attributable to ordinary equity holders of the Company for the year by the pre-placement share capital of 223,000,000.

The following table reflects the profit/(loss) for the year and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December 2012, 2011 and 2010:

	2012	2011	2010
Profit/(loss) for the year attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings/(loss) per share (S\$)	<u>3,811,406</u>	<u>780,476</u>	<u>(245,497)</u>
Number of ordinary shares	<u>223,000,000</u>	<u>223,000,000</u>	<u>223,000,000</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

11. Plant and equipment

	Computers S\$	Office equipment S\$	Furniture and fittings S\$	Total S\$
Cost				
At 1 January 2010	2,669	–	45,262	47,931
Additions	13,471	–	7,910	21,381
At 31 December 2010 and 1 January 2011	16,140	–	53,172	69,312
Additions	16,159	3,127	790	20,076
At 31 December 2011 and 1 January 2012	32,299	3,127	53,962	89,388
Additions	68,948	3,127	59,840	131,915
Translation adjustment	–	16	–	16
At 31 December 2012	101,247	6,270	113,802	221,319
Accumulated depreciation				
At 1 January 2010	296	–	3,214	3,510
Charge for the year	4,706	–	10,141	14,847
At 31 December 2010 and 1 January 2011	5,002	–	13,355	18,357
Charge for the year	7,770	440	10,734	18,944
At 31 December 2011 and 1 January 2012	12,772	440	24,089	37,301
Charge for the year	20,469	1,701	19,066	41,236
Translation adjustment	–	(7)	–	(7)
At 31 December 2012	33,241	2,134	43,155	78,530
Net carrying amount				
At 31 December 2012	68,006	4,136	70,647	142,789
At 31 December 2011	19,527	2,687	29,873	52,087
At 31 December 2010	11,138	–	39,817	50,955

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

12. Gross amount due to customers for contract work-in-progress

	2012	2011	2010
	S\$	S\$	S\$
Aggregate amount of costs incurred and recognised profits to date	31,901,458	16,012,588	–
Less: Progress billings and advances	<u>(41,808,016)</u>	<u>(22,347,950)</u>	<u>–</u>
	<u>(9,906,558)</u>	<u>(6,335,362)</u>	<u>–</u>
<i>Presented as:</i>			
Gross amount due to customers for contract work-in-progress	<u>(9,906,558)</u>	<u>(6,335,362)</u>	<u>–</u>
Advance billing included in gross amount due to customers for contract work-in-progress	<u>561,000</u>	<u>–</u>	<u>–</u>
Retention sums on construction contracts included in trade receivables (Note 13)	<u>6,197,427</u>	<u>2,224,902</u>	<u>–</u>

13. Trade receivables

	2012	2011	2010
	S\$	S\$	S\$
Trade receivables	11,217,867	10,603,028	749
Retention receivables	<u>6,197,427</u>	<u>2,224,902</u>	<u>–</u>
	<u>17,415,294</u>	<u>12,827,930</u>	<u>749</u>

Trade receivables

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

13. Trade receivables (cont’d)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to S\$393,013 (2011: S\$4,563,968, 2010: S\$749) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of each reporting period is as follows:

	2012	2011	2010
	S\$	S\$	S\$
Trade receivables past due:			
Less than 30 days	199,168	84,050	749
30 to 60 days	178,229	49,294	–
61 to 90 days	–	190,624	–
91 to 120 days	–	–	–
More than 120 days	15,616	4,240,000	–
	<u>393,013</u>	<u>4,563,968</u>	<u>749</u>

14. Other receivables

	2012	2011	2010
	S\$	S\$	S\$
Other receivables	2,150,000	750,000	–
Deposits	14,452	9,350	10,132
Sundry receivables	1,556	525	925
	<u>2,166,008</u>	<u>759,875</u>	<u>11,057</u>

Other receivables relate to deposits given to an insurance company as cash collateral for performance bonds issued for construction projects.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

15. Cash and short term deposits

	2012	2011	2010
	S\$	S\$	S\$
Cash at banks and on hand	4,792,392	4,317,267	79,365
Short term deposits	4,000,000	–	–
Cash and cash equivalents in the consolidated cash flow statement	<u>8,792,392</u>	<u>4,317,267</u>	<u>79,365</u>

Short term deposits are made for varying periods of between 1 month to 2 months depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2012 for the Group was 0.19% (2011: Nil%, 2010: Nil%) per annum.

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

	2012	2011	2010
	S\$	S\$	S\$
United States Dollar	<u>1,501</u>	<u>1,500</u>	<u>–</u>

16. Trade and other payables

	2012	2011	2010
	S\$	S\$	S\$
Trade payables	652,659	6,509,762	5,990
Accrued operating expenses	12,433,080	3,841,249	11,951
Sundry payables	39,615	–	700
	<u>13,125,354</u>	<u>10,351,011</u>	<u>18,641</u>

Trade payables

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

Sundry payables

Sundry payables are non-interest bearing and have an average term of 2 months.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

17. Deferred tax liabilities

Deferred tax liabilities as at 31 December relates to the following:

	Consolidated balance sheet			Consolidated income statement		
	2012	2011	2010	2012	2011	2010
	S\$	S\$	S\$	S\$	S\$	S\$
<i>Gross deferred tax assets</i>						
Provisions	1,566	–	–	(1,566)	–	–
	<u>1,566</u>	<u>–</u>	<u>–</u>			
<i>Gross deferred tax liabilities</i>						
Excess of net carrying value of plant and equipment over tax written down value	(15,267)	–	–	15,267	–	–
	<u>(15,267)</u>	<u>–</u>	<u>–</u>			
Net deferred tax liabilities	<u>(13,701)</u>	<u>–</u>	<u>–</u>			
Deferred tax expense				<u>13,701</u>	<u>–</u>	<u>–</u>

Tax consequences of proposed dividends

There are no income tax consequences (2011: S\$Nil, 2010: S\$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

18. Share capital

	2012 Number of shares	2012 S\$	2011 Number of shares	2011 S\$	2010 Number of shares	2010 S\$
Issued and fully paid ordinary shares						
At beginning of the financial year	600,000	600,000	400,000	400,000	280,000	280,000
Bonus issue	400,000	400,000	–	–	–	–
Issuance of ordinary shares	–	–	200,000	200,000	120,000	120,000
At end of the financial year	<u>1,000,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>600,000</u>	<u>400,000</u>	<u>400,000</u>

The Company was incorporated on 5 June 2013 with an issued share capital of S\$2. The share capital and number of shares of the Group for the financial years ended 31 December 2012, 2011 and 2010 represents the aggregate paid-up capital and number of shares of its subsidiary company, Figtree Projects Pte. Ltd..

During the financial year ended 31 December 2012, the subsidiary company increased its share capital by way of capitalising accumulated profits amounting to S\$400,000 and issuing 400,000 new ordinary shares. The new issued shares rank pari passu in all respects with the existing issued shares of the subsidiary company.

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

19. Foreign currency translation reserve

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

	2012	2011	2010
	S\$	S\$	S\$
At beginning of financial year	379	–	–
Net effect of exchange differences arising from translation of financial statements of foreign operations	(79)	4	–
Incorporation of a subsidiary company	–	375	–
At end of financial year	<u>300</u>	<u>379</u>	<u>–</u>

20. Significant related party transactions

(a) Sales and purchases of services

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

	2012	2011	2010
	S\$	S\$	S\$
Loans from shareholders	343,682	985,000	–
Repayment of loans from shareholders	(343,682)	(985,000)	–
Interests on shareholders’ loans	–	(7,311)	–

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

20. Significant related party transactions (cont’d)

(b) Compensation of key management personnel

	2012	2011	2010
	S\$	S\$	S\$
Salaries and bonuses	2,262,697	881,250	63,400
Central Provident Fund contributions	38,865	34,860	3,119
Other short-term benefits	43,267	3,963	1,455
Total compensation paid to key management personnel	<u>2,344,829</u>	<u>920,073</u>	<u>67,974</u>
Comprise amounts paid to:			
– Directors of the Company	1,981,884	790,017	67,974
– Other key management personnel	362,945	130,056	–
Total compensation paid to key management personnel	<u>2,344,829</u>	<u>920,073</u>	<u>67,974</u>

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

21. Operating lease commitments

The Group has entered into commercial property leases for its office premises and certain office equipment. These leases have an average tenure of 2 to 5 (2011: 1 to 5, 2010: 1 to 5) years, with no contingent rent provision included in the contract. The leases contain renewable options. The Group is restricted from subleasing the leased property to third parties. Future minimum rentals payables under non-cancellable operating leases as at 31 December are as follows:

	2012	2011	2010
	S\$	S\$	S\$
Not later than one year	46,188	26,508	28,404
Later than one year but not later than five years	26,343	24,531	26,659
	<u>72,531</u>	<u>51,039</u>	<u>55,063</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

22. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is, and has been throughout the current and previous financial years, the Group’s policy that no trading in derivatives for speculative purposes shall be undertaken.

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

There has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group’s financial instruments will fluctuate because of changes in market interest rates. The Group’s exposure to interest rate risk arises primarily from their cash and short term deposits.

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 10 (2011: Nil, 2010: Nil) basis points higher/lower with all other variables held constant, the Group’s profit net of tax would have been S\$3,320 (2011: S\$Nil, 2010: S\$Nil) higher/lower, as a result of higher/lower interest income on cash and short term deposits.

(b) Liquidity risk

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

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

22. Financial risk management objectives and policies (cont’d)

(b) Liquidity risk (cont’d)

Analysis of financial instruments by remaining contractual maturities

The tables below summarise the maturity profile of the Group’s financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less	Total
	S\$	S\$
2012		
Financial assets:		
Trade receivables	17,415,294	17,415,294
Other receivables	2,166,008	2,166,008
Cash and short term deposits	8,792,392	8,792,392
Total undiscounted financial assets	<u>28,373,694</u>	<u>28,373,694</u>
Financial liabilities:		
Trade and other payables (exclude GST payables)	12,762,804	12,762,804
Total undiscounted financial liabilities	<u>12,762,804</u>	<u>12,762,804</u>
Total net undiscounted financial assets	<u>15,610,890</u>	<u>15,610,890</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

22. Financial risk management objectives and policies (cont’d)

(b) Liquidity risk (cont’d)

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

	One year or less	Total
	S\$	S\$
2011		
Financial assets:		
Trade receivables	12,827,930	12,827,930
Other receivables	759,875	759,875
Cash and short term deposits	4,317,267	4,317,267
Total undiscounted financial assets	<u>17,905,072</u>	<u>17,905,072</u>
Financial liabilities:		
Trade and other payables (exclude GST payables)	10,146,344	10,146,344
Total undiscounted financial liabilities	<u>10,146,344</u>	<u>10,146,344</u>
Total net undiscounted financial assets	<u>7,758,728</u>	<u>7,758,728</u>
2010		
Financial assets:		
Trade receivables	749	749
Other receivables	11,057	11,057
Cash and short term deposits	79,365	79,365
Total undiscounted financial assets	<u>91,171</u>	<u>91,171</u>
Financial liabilities:		
Trade and other payables (exclude GST payables)	18,641	18,641
Total undiscounted financial liabilities	<u>18,641</u>	<u>18,641</u>
Total net undiscounted financial assets	<u>72,530</u>	<u>72,530</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

22. Financial risk management objectives and policies (cont’d)

(c) Credit risk

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

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

Credit risk concentration profile

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

	2012		2011		2010	
	S\$	% of total	S\$	% of total	S\$	% of total
By country						
Singapore	17,325,084	99	12,770,723	99	749	100
China	21,026	–	19,470	–	–	–
Malaysia	69,184	1	37,737	1	–	–
	<u>17,415,294</u>	<u>100</u>	<u>12,827,930</u>	<u>100</u>	<u>749</u>	<u>100</u>
By industry sector						
Construction	<u>17,415,294</u>	<u>100</u>	<u>12,827,930</u>	<u>100</u>	<u>749</u>	<u>100</u>

At the end of the reporting period, approximately 96% (2011: 99%, 2010: 100%) of the Group’s trade receivables were due from 3 (2011: 1, 2010: 1) major customers who are multinational corporations and established developers located in Singapore.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

22. Financial risk management objectives and policies (cont’d)

(c) Credit risk (cont’d)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 (Trade receivables).

(d) Foreign currency risk

Foreign exchange risk is deemed not significant by management as the Group’s sales and purchase transactions are wholly denominated in the functional currency of the respective entities.

The Group has cash and short term deposits in foreign currencies for working capital purposes. The foreign currency balances are disclosed in Note 15 (Cash and short term deposits).

23. Fair values of financial instruments

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

Trade receivables (Note 13), other receivables (Note 14), cash and short term deposits (Note 15), trade and other payables (Note 16)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

24. Financial instruments by category

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

	Note	Loans and receivables S\$	Liabilities at amortised cost S\$
2012			
Assets			
Trade receivables	13	17,415,294	–
Other receivables	14	2,166,008	–
Cash and short term deposits	15	8,792,392	–
Liabilities			
Trade and other payables (exclude GST payable)		–	12,762,804
		<u>28,373,694</u>	<u>12,762,804</u>
2011			
Assets			
Trade receivables	13	12,827,930	–
Other receivables	14	759,875	–
Cash and short term deposits	15	4,317,267	–
Liabilities			
Trade and other payables (exclude GST payables)		–	10,146,344
		<u>17,905,072</u>	<u>10,146,344</u>
2010			
Assets			
Trade receivables	13	749	–
Other receivables	14	11,057	–
Cash and short term deposits	15	79,365	–
Liabilities			
Trade and other payables (exclude GST payables)		–	18,641
		<u>91,171</u>	<u>18,641</u>

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

25. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2012, 2011 and 2010.

The Group’s capital structure consists of net debt, which includes trade and other payables, less cash and short term deposits. Capital includes equity attributable to the equity holders of the Company. The Group is currently in the process of establishing the measurement basis used to manage capital.

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

	Note	2012 S\$	2011 S\$	2010 S\$
Trade and other payables	16	13,125,354	10,351,011	18,641
Less: Cash and short term deposits	15	(8,792,392)	(4,317,267)	(79,365)
<i>Net debt</i>		<u>4,332,962</u>	<u>6,033,744</u>	<u>(60,724)</u>
Equity attributable to equity holders of the Company		<u>4,917,236</u>	<u>1,105,909</u>	<u>125,054</u>
<i>Total capital</i>		<u>4,917,236</u>	<u>1,105,909</u>	<u>125,054</u>
Capital and net debt		<u><u>9,250,198</u></u>	<u><u>7,139,653</u></u>	<u><u>64,330</u></u>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

26. Segment information

For management purposes, the Group is organised into one operating segment, which is the design and construction segment.

Management monitors the operating results of this business unit for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margin of the operation.

Geographical information

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

	Revenues			Non-current assets		
	2012	2011	2010	2012	2011	2010
	S\$	S\$	S\$	S\$	S\$	S\$
Singapore	59,563,917	16,154,697	160,273	139,614	50,128	50,955
China	226,292	169,389	–	3,175	1,959	–
Malaysia	123,955	37,737	–	–	–	–
	<u>59,914,164</u>	<u>16,361,823</u>	<u>160,273</u>	<u>142,789</u>	<u>52,087</u>	<u>50,955</u>

Information about major customers

Revenue from 3 (2011: 1, 2010: Nil) major customers amounted to S\$59,349,520 (2011: S\$15,991,037, 2010: S\$Nil) in the design and construction segment.

27. Events after balance sheet date

On 5 June 2013, the Group incorporated a wholly owned subsidiary company in Singapore known as Figtree Developments Pte. Ltd.. Its principal activities are that of property development.

On 26 August 2013, the Group entered into sale and purchase agreements to purchase three units of properties at 8 Jalan Kilang Barat #03-01, #03-02 and #03-09, Singapore 159351 for office use for an aggregate purchase price of S\$3,528,610. The properties have a leasehold tenure of 99 years commencing from 1 July 1962 and a remaining lease term of 47 years. The leasehold properties will be mortgaged to secure a 10-year term loan of S\$2,118,000 which is obtained to partially finance the purchase of the properties.

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON THE AUDITED
CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2010, 2011 AND 2012**

Figtree Holdings Limited and its Subsidiary Companies

**Notes to the Consolidated Financial Statements – 31 December 2010, 2011 and 2012
(cont’d)**

27. Events after balance sheet date (cont’d)

On 28 August 2013, the subsidiary company, Figtree Developments Pte. Ltd., subscribed for 2,000 shares in the capital of Vibrant Properties Pte. Ltd. at an issue price of S\$1 per share, thereby acquiring 20% interest in the issued and paid-up share capital of Vibrant Properties Pte. Ltd.. The principal activities of Vibrant Properties Pte. Ltd. are that of real estate activities with own or leased property and real estate developers.

28. Authorisation of financial statements

The financial statements for the financial years ended 31 December 2010, 2011 and 2012 were authorised for issue in accordance with a resolution of the Directors on 29 October 2013.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

**FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Report on Unaudited Interim Consolidated Financial Statements
For the financial period from 1 January 2013 to 30 June 2013

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Statement by Directors

We, Siaw Ken Ket @ Danny Siaw and Tan Chew Joo, being two of the Directors of Figtree Holdings Limited (the “Company”), do hereby state that, in the opinion of the Directors,

- (a) the accompanying interim consolidated balance sheet, interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated cash flow statement together with notes thereto, are drawn up so as to present fairly, in all material respects, the state of affairs of the Company and its subsidiary companies (collectively, the “Group”) as at 30 June 2013 and of the results, changes in equity and cash flows of the Group for the six-month period then ended in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting; 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.

On behalf of the Board of Directors,

Siaw Ken Ket @ Danny Siaw
Director

Tan Chew Joo
Director

Singapore
29 October 2013

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Independent Auditor’s Review Report on Interim Consolidated Financial Statements of
Figtree Holdings Limited and its Subsidiary Companies for the six-month period ended 30
June 2013**

29 October 2013

The Board of Directors
Figtree Holdings Limited
315 Outram Road
#13-10 Tan Boon Liat Building
Singapore 169074

Dear Sirs,

Introduction

We have reviewed the accompanying interim consolidated balance sheet of Figtree Holdings Limited (the “Company”) and its subsidiary companies (collectively, the “Group”) as at 30 June 2013 and related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with Singapore Financial Reporting Standards 34, Interim Financial Reporting (“**FRS 34**”). Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Independent Auditor’s Review Report on Interim Consolidated Financial Statements of
Figtree Holdings Limited and its Subsidiary Companies for the six-month period ended 30
June 2013 (cont’d)**

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with FRS 34.

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on Catalist.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Tan Chian Khong
Partner

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Interim Consolidated Income Statement for the six-month period ended 30 June 2013

(Amounts in Singapore dollars)

	Note	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Revenue	5	49,882,625	35,091,066
Cost of sales		(41,885,140)	(31,518,101)
Gross profit		7,997,485	3,572,965
Other income	6	11,019	5,796
Administrative costs		(1,129,657)	(636,616)
Profit before taxation	7	6,878,847	2,942,145
Tax expense	8	(1,214,475)	(419,356)
Profit for the period		5,664,372	2,522,789
Profit attributable to:			
Equity holders of the Company		5,704,213	2,495,760
Non-controlling interests		(39,841)	27,029
		5,664,372	2,522,789
Earnings per share			
Basic and diluted (cents)	9	2.56	1.12

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Interim Consolidated Statement of Comprehensive Income for the six-month period ended
30 June 2013**

(Amounts in Singapore dollars)

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Profit for the period	5,664,372	2,522,789
Items that may be reclassified subsequently to profit or loss:		
Net effect of exchange differences arising from translation of financial statements of foreign operations	6,395	1,089
Other comprehensive income for the period, net of tax	6,395	1,089
Total comprehensive income for the period	<u>5,670,767</u>	<u>2,523,878</u>
Total comprehensive income attributable to:		
Equity holders of the Company	5,710,608	2,496,849
Non-controlling interests	<u>(39,841)</u>	<u>27,029</u>
	<u>5,670,767</u>	<u>2,523,878</u>

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Interim Consolidated Balance Sheet as at 30 June 2013

(Amounts in Singapore dollars)

	Note	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Non-current assets			
Plant and equipment	10	171,294	142,789
Current assets			
Advance payment to a subcontractor		–	59,100
Gross amount due from customers for contract work-in-progress	11	551,243	–
Trade receivables	12	29,598,084	17,415,294
Other receivables	13	2,222,080	2,166,008
Prepayments		63,166	87,944
Cash and short term deposits	14	6,351,668	8,792,392
		38,786,241	28,520,738
Current liabilities			
Gross amount due to customers for contract work-in-progress	11	11,926,461	9,906,558
Trade and other payables	15	16,334,710	13,125,354
Provision for taxation		1,523,483	636,086
		29,784,654	23,667,998
Net current assets		9,001,587	4,852,740
Non-current liabilities			
Deferred tax liabilities	16	20,284	13,701
Net assets		9,152,597	4,981,828
Equity attributable to equity holders of the Company			
Share capital	17	1,000,002	1,000,000
Accumulated profits		8,121,149	3,916,936
Foreign currency translation reserve	18	6,695	300
		9,127,846	4,917,236
Non-controlling interests		24,751	64,592
Total equity		9,152,597	4,981,828

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

APPENDIX B – INDEPENDENT AUDITOR'S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Interim Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2013
(Amounts in Singapore dollars)

Attributable to equity holders of the Company						
	Share capital (Note 17) S\$	Foreign currency translation reserve (Note 18)		Total equity attributable to holders of the equity		Total equity S\$
		Accumulated profits S\$	reserve (Note 18) S\$	Total reserves S\$	Company S\$	
Unaudited						
At 1 January 2013	1,000,000	3,916,936	300	3,917,236	4,917,236	4,981,828
Profit for the period	–	5,704,213	–	5,704,213	5,704,213	5,664,372
Other comprehensive income						
Foreign currency translation	–	–	6,395	6,395	6,395	6,395
Total comprehensive income for the period	–	5,704,213	6,395	5,710,608	5,710,608	5,670,767
Contributions by and distributions to owners						
Dividends on ordinary shares	–	(1,500,000)	–	(1,500,000)	(1,500,000)	(1,500,000)
Adjustment arising from Restructuring Exercise	2	–	–	–	2	2
Total contributions by and distributions to owners	2	(1,500,000)	–	(1,500,000)	(1,499,998)	(1,499,998)
Total transactions with owners in their capacity as owners	2	(1,500,000)	–	(1,500,000)	(1,499,998)	(1,499,998)
At 30 June 2013	1,000,002	8,121,149	6,695	8,127,844	9,127,846	9,152,597

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

APPENDIX B – INDEPENDENT AUDITOR'S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Interim Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2013 (cont'd)
(Amounts in Singapore dollars)

Attributable to equity holders of the Company							
	Share capital (Note 17) S\$	Accumulated profits S\$	Foreign currency translation reserve (Note 18) S\$	Total reserves S\$	Total equity attributable to equity holders of the Company S\$	Non- controlling interests S\$	Total equity S\$
Unaudited							
At 1 January 2012	600,000	505,530	379	505,909	1,105,909	58,688	1,164,597
Profit for the period	–	2,495,760	–	2,495,760	2,495,760	27,029	2,522,789
Other comprehensive income							
Foreign currency translation	–	–	1,089	1,089	1,089	–	1,089
Total comprehensive income for the period	–	2,495,760	1,089	2,496,849	2,496,849	27,029	2,523,878
Contributions by and distributions to owners							
Bonus issue	400,000	(400,000)	–	(400,000)	–	–	–
Total contributions by and distributions to owners	400,000	(400,000)	–	(400,000)	–	–	–
Total transactions with owners in their capacity as owners	400,000	(400,000)	–	(400,000)	–	–	–
At 30 June 2012	1,000,000	2,601,290	1,468	2,602,758	3,602,758	85,717	3,688,475

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Interim Consolidated Cash Flow Statement for the six-month period ended 30 June 2013

(Amounts in Singapore dollars)

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Cash flows from operating activities		
Profit before taxation	6,878,847	2,942,145
Adjustments for:		
Depreciation of plant and equipment	29,134	14,682
Write off of plant and equipment	5,804	–
Interest income	(8,119)	(3,851)
Operating cash flows before working capital changes	6,905,666	2,952,976
(Increase)/decrease in:		
Gross amount due from customers for contract work-in-progress	(551,243)	–
Trade receivables	(12,182,789)	3,278,062
Other receivables and prepayments	27,808	(10,906)
Increase/(decrease) in:		
Gross amount due to customers for contract work-in-progress	2,019,903	(1,477,039)
Trade and other payables	3,209,356	(1,725,896)
Cash flows (used in)/generated from operations	(571,299)	3,017,197
Income tax paid	(320,496)	(33,579)
Net cash flows (used in)/generated from operating activities	(891,795)	2,983,618
Cash flows from investing activities		
Purchases of plant and equipment	(63,340)	(76,391)
Interest received	8,119	3,851
Net cash flows used in investing activities	(55,221)	(72,540)
Cash flows from financing activities		
Dividends paid on ordinary shares	(1,500,000)	–
Placement of pledged bank deposits	(1,250,000)	–
Net cash flows used in financing activities	(2,750,000)	–
Net (decrease)/increase in cash and cash equivalents	(3,697,016)	2,911,078
Effects of exchange rate changes on cash and cash equivalents	6,292	1,044
Cash and cash equivalents at beginning of the period	8,792,392	4,317,267
Cash and cash equivalents at end of the period (Note 14)	5,101,668	7,229,389

The accompanying accounting policies and explanatory notes form an integral part of the interim consolidated financial statements. The comparatives have not been reviewed nor audited.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013

1. Corporate information

The Company was incorporated in the Republic of Singapore on 5 June 2013 as a private limited company under the name of Figtree Holdings Pte. Ltd. with an issued and paid up share capital of S\$2 comprising of two ordinary shares. On 11 October 2013, the Company was converted into a public company and changed its name to Figtree Holdings Limited.

The registered office and principal place of business of the Company is located at 315 Outram Road, #13-10 Tan Boon Liat Building, Singapore 169074.

The principal activity of the Company is that of investment holding.

2. Restructuring Exercise

The Group was formed through a Restructuring Exercise in preparation for the Company’s listing on Catalist (the “Restructuring Exercise”). Prior to the Restructuring Exercise, Figtree Projects Pte. Ltd. holds two subsidiary companies, i.e. Figtree Projects Sdn Bhd and Figtree Projects (Shanghai) Co., Ltd. Pursuant to the Restructuring Exercise, the Company became the holding company of the Group.

The Restructuring Exercise is as described below:

(a) Incorporation of the Company

The Company was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2 comprising two shares of which Danny Siaw and Tan Chew Joo each held one share.

(b) Incorporation of Figtree Developments Pte. Ltd.

The subsidiary company, Figtree Developments Pte. Ltd., was incorporated on 5 June 2013 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2 comprising two shares held by the Company.

(c) Acquisition of 20% of Vibrant Properties Pte. Ltd.

On 28 August 2013, the subsidiary company, Figtree Developments Pte. Ltd., subscribed for 2,000 shares in the capital of Vibrant Properties Pte. Ltd. at an issue price of S\$1 per share, thereby acquiring 20% interest in the issued and paid-up share capital of Vibrant Properties Pte. Ltd.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

2. Restructuring Exercise (cont’d)

(d) Acquisition of Figtree Projects Pte. Ltd.

Pursuant to a share swap agreement dated 8 October 2013 entered into between Figtree Holdings Pte. Ltd., Danny Siaw, Robert Oei, Singapore Enterprises Private Limited, Eileen Tan, Fung Tze Ping and Teoh Hoon Song, Figtree Holdings Pte. Ltd. acquired from Danny Siaw, Robert Oei and Singapore Enterprises Private Limited the entire issued and paid-up share capital of Figtree Projects Pte. Ltd. held by them, comprising an aggregate of 1,000,000 ordinary shares for a total consideration of S\$9,152,595 based on the unaudited net tangible assets of Figtree Projects Pte. Ltd. and its subsidiary companies as at 30 June 2013. The purchase consideration was satisfied by the issue and allotment of an aggregate of 999,998 shares in the capital of the Company (“**Consideration Shares**”), credited as fully paid-up and was arrived at on a willing buyer willing seller basis. The Consideration Shares were issued and allotted to Danny Siaw, Robert Oei, Singapore Enterprises Private Limited, Eileen Tan, Fung Tze Ping and Teoh Hoon Song in accordance with their percentage of beneficial interest in Figtree Projects Pte. Ltd. immediately prior to the acquisition⁽¹⁾. In addition, under the share swap agreement, Eileen Tan had instructed Figtree Holdings Pte. Ltd. to issue and allot 116,666 of her Consideration Shares to her father, namely, Tan Chew Joo.

- (1) Prior to the acquisition, 710,000 shares in the capital of Figtree Projects Pte. Ltd. were held in the name of Danny Siaw, of which 166,667 shares were held on trust for Eileen Tan, 100,000 shares were held on trust for Fung Tze Ping and 100,000 shares were held on trust for Teoh Hoon Song.

The consolidated financial statements presented for the period ended 30 June 2013 are a continuation of the existing group, comprising the financial position and the results of Figtree Projects Pte. Ltd. and its subsidiary companies.

Pursuant to this, assets, liabilities, reserves, revenue and expenses of Figtree Projects Pte. Ltd. and its subsidiary companies are consolidated at their existing carrying amounts.

For the purpose of the preparation of the consolidated financial statements, the share capital as at 30 June 2013 represents the issued and paid-up share capital of Figtree Holdings Limited and Figtree Projects Pte. Ltd..

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

2. Restructuring Exercise (cont’d)

At the date of this report, the Group structure is as shown below:

Name of company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group %
Held by the Company			
Figtree Projects Pte. Ltd.*	General contractors (building construction including major upgrading works) and providers of general building engineering services	Singapore	100
Figtree Developments Pte. Ltd.*	Property development	Singapore	100
Held through Figtree Projects Pte. Ltd.			
Figtree Projects (Shanghai) Co., Ltd [#] (Formerly known as Figtree Project Consulting (Shanghai) Co., Ltd)	Project management services	People’s Republic of China	60
Figtree Projects Sdn Bhd [@]	Project management services	Malaysia	100
Held through Figtree Developments Pte. Ltd.			
Vibrant Properties Pte. Ltd. ⁺	Real estate activities with own or leased property and real estate developers	Singapore	20

* Audited by Ernst & Young LLP, Singapore.

Audited by Shanghai Yuanzhi Certified Public Accountants.

@ Audited by Gow and Tan Chartered Accountants.

+ Not required to be audited under the law of its country of incorporation.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies

3.1 Basis of preparation

The unaudited interim consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards 34, Interim Financial Reporting, for the six-month period ended 30 June 2013.

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

The interim consolidated financial statements are presented in Singapore Dollars (SGD or S\$).

The interim consolidated income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and its related notes for the period ended 30 June 2012 are neither reviewed nor audited.

The Group’s operations are not affected significantly by seasonal or cyclical factors.

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except that in the current period, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group.

3.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

The Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.4 Basis of consolidation

The consolidated financial statements presented for the period ended 30 June 2013 are a continuation of the existing group, comprising the financial position and the results of Figtree Projects Pte. Ltd. and its subsidiary companies.

Pursuant to this, assets, liabilities, reserves, revenue and expenses of Figtree Projects Pte. Ltd. and its subsidiary companies are consolidated at their existing carrying amounts.

For the purpose of the preparation of the consolidated financial statements, the share capital as at 30 June 2013 represents the issued and paid up share capital of Figtree Holdings Limited and Figtree Projects Pte. Ltd..

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

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

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary company at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.4 Basis of consolidation (cont’d)

- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group’s share of components previously recognised in other comprehensive income to profit or loss or accumulated profits, as appropriate.

3.5 Functional and foreign currency

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

Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.5 *Functional and foreign currency (cont’d)*

Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the reporting period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates prevailing at the date of the transactions are used. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in a separate component of equity under the header foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

3.6 *Subsidiary companies*

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

3.7 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, the assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The accounting policy for borrowing costs is set out in Note 3.15. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Computers	–	3 years
Office equipment	–	3 years
Furniture and fittings	–	5 years
Motor vehicle	–	5 years

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.7 *Plant and equipment (cont’d)*

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year in which the asset is derecognised.

3.8 *Impairment of non-financial assets*

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

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.8 Impairment of non-financial assets (cont’d)

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

3.9 Construction contracts

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

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

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

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

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

Contract revenue comprises the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.9 Construction contracts (cont’d)

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: sub-contractor costs which include site labour costs, costs of materials used in construction and rental of equipment used on the contract; costs of design; site supervisor costs and technical assistance that is directly related to the contract.

The Group’s contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

Assets covered by a single contract are treated separately when:

- Separate proposals have been submitted for each asset;
- Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset; and
- The costs and revenues of each asset can be identified.

A group of contracts are treated as a single construction contract when:

- The group of contracts are negotiated as a single package; the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin; and
- The contracts are performed concurrently or in a continuous sequence.

3.10 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.10 Financial assets (cont’d)

Subsequent measurement

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

De-recognition

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

3.11 Impairment of financial assets

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

Financial assets carried at amortised cost

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.11 Impairment of financial assets (cont’d)

Financial assets carried at amortised cost (cont’d)

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

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

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

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

3.12 Cash and cash equivalents

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

3.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.13 Financial liabilities (cont’d)

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

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

3.14 Provisions

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

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

3.15 Borrowing costs

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.16 Government grants

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate.

3.17 Employee benefits

(i) Defined contribution plans

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

(ii) Employee leave entitlement

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

3.18 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.18 Leases (cont’d)

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

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

3.19 Revenue

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

(i) Contract revenue

Accounting policy for recognising construction contract revenue is stated in Note 3.9.

(ii) Project management and consultancy fees

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

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Dividend income

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.20 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.20 Taxes (cont’d)

(b) Deferred tax (cont’d)

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

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

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

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

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

(c) Sales tax

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

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

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.21 Share capital and share issuance expenses

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

3.22 Transactions with non-controlling interests

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

Changes in the Company’s ownership interest in subsidiary companies 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 companies. 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.

3.23 Segment reporting

For management purposes, the Group is organised into operating segments based on strategic business units which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on the segments are shown in Note 25.

3.24 Contingencies

A contingent liability is:

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.24 Contingencies (cont’d)

- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

3.25 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 the 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 the 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 venture of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the 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;

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

3. Summary of significant accounting policies (cont’d)

3.25 Related parties (cont’d)

- (b) An entity is related to the Group and the Company if any of the following conditions applies: (cont’d)
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (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).

4. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- **Useful lives of plant and equipment**

The costs of plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. These are common life expectancies applied in the construction industry. 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. The carrying amount of the Group’s plant and equipment as at 30 June 2013 was S\$171,294 (31 December 2012: S\$142,789). A 20% difference in the expected useful lives of these assets from management’s estimates would result in approximately 0.2% (31 December 2012: 0.2%) variance in the Group’s profit before taxation.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

4. Significant accounting estimates and judgements (cont’d)

4.1 Key sources of estimation uncertainty (cont’d)

- ***Construction contracts***

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amount of the liabilities arising from construction contracts at the balance sheet date was disclosed in Note 11 to the financial statements.

- ***Impairment of loans and receivables***

The Group assesses at each balance sheet date 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 carrying amount of the Group’s loans and receivables at the end of the reporting period is disclosed in Note 12 to the financial statements.

- ***Income taxes***

The Group has exposure to income taxes mainly in Singapore. 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. The carrying amount of the Group’s tax payable and deferred tax liabilities as at 30 June 2013 were S\$1,523,483 (31 December 2012: S\$636,086) and S\$20,284 (31 December 2012: S\$13,701) respectively.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

5. Revenue

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Contract revenue	49,830,183	34,914,307
Project management fees	52,442	176,759
	<u>49,882,625</u>	<u>35,091,066</u>

6. Other income

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Government grants	2,900	1,945
Interest income from fixed deposits	8,119	3,851
	<u>11,019</u>	<u>5,796</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

7. Profit before taxation

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

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Depreciation of plant and equipment	29,134	14,682
Write off of plant and equipment	5,804	–
Foreign exchange loss, net	–	1,471
Operating lease expense	36,494	51,143
Employee benefits expense (Note A)	1,724,586	1,100,450
Audit fees		
– auditors of the Company	21,500	22,100
– other auditors	382	388
Non-audit fees		
– auditors of the Company	15,000	–
	<u>36,882</u>	<u>22,488</u>

Note A: Employee benefits expense

Employee benefits expense (including directors):

Salaries, bonus and other benefits	1,665,632	1,054,649
Defined contribution plans	58,954	45,801
	<u>1,724,586</u>	<u>1,100,450</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

8. Tax expense

Major components of tax expense

The major components of tax expense for the financial periods ended 30 June 2013 and 30 June 2012 are:

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Current taxation		
– current income taxation	1,207,927	409,044
– Over provision in respect of prior years	(35)	(16)
Deferred taxation		
– movement in temporary differences	6,583	10,328
Tax expense recognised in profit or loss	<u>1,214,475</u>	<u>419,356</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

8. Tax expense (cont’d)

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial periods ended 30 June 2013 and 30 June 2012 are as follows:

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Profit before taxation	6,878,847	2,942,145
Tax at domestic rates applicable to profit in the countries where the Group operates	1,160,806	509,414
Adjustments:		
Expenses not deductible for tax purposes	68,584	3,281
Income not subject to tax	(639)	(5,387)
Tax incentives (productivity and innovation credit allowance)	(16,999)	(16,570)
Corporate income tax rebate	–	(6,357)
Tax effect of Singapore statutory stepped income exemption	(25,925)	(25,925)
Over provision in respect of prior years	(35)	(16)
Others	28,683	(39,084)
Tax expense recognised in profit or loss	1,214,475	419,356

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

8. Tax expense (cont’d)

Unrecognised temporary differences relating to investments in subsidiary companies

At the end of the reporting period, no deferred tax liability (31 December 2012: S\$Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group’s subsidiary companies as the Group has determined that undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to S\$Nil (31 December 2012: S\$58,334). The deferred tax liability is estimated to be S\$Nil (31 December 2012: S\$2,917).

9. Earnings per share

Earnings per share is calculated by dividing the Group’s profit attributable to ordinary equity holders of the Company for the period by the pre-placement share capital of 223,000,000.

The following table reflects the profit for the period and share data used in the computation of basic and diluted earnings per share for the period ended 30 June 2013 and 30 June 2012:

	1 January 2013 to 30 June 2013 (Unaudited)	1 January 2012 to 30 June 2012 (Unaudited)
Profit for the period attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share (S\$)	5,704,213	2,495,760
Number of ordinary shares	223,000,000	223,000,000

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

10. Plant and equipment

	Computers S\$	Office equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Total S\$
Cost					
At 1 January 2012 (audited)	32,299	3,127	53,962	–	89,388
Additions	68,948	3,127	59,840	–	131,915
Translation adjustment	–	16	–	–	16
At 31 December 2012 (audited) and 1 January 2013 (unaudited)	101,247	6,270	113,802	–	221,319
Additions	26,700	245	4,000	32,395	63,340
Write off	–	–	(17,344)	–	(17,344)
Translation adjustment	–	–	–	253	253
At 30 June 2013 (unaudited)	127,947	6,515	100,458	32,648	267,568
Accumulated depreciation					
At 1 January 2012 (audited)	12,772	440	24,089	–	37,301
Charge for the year	20,469	1,701	19,066	–	41,236
Translation adjustment	–	(7)	–	–	(7)
At 31 December 2012 (audited) and 1 January 2013 (unaudited)	33,241	2,134	43,155	–	78,530
Charge for the period	16,037	268	10,046	2,783	29,134
Write off	–	–	(11,540)	–	(11,540)
Translation adjustment	–	–	–	150	150
At 30 June 2013 (unaudited)	49,278	2,402	41,661	2,933	96,274
Net carrying amount					
At 30 June 2013 (unaudited)	78,669	4,113	58,797	29,715	171,294
At 31 December 2012 (audited)	68,006	4,136	70,647	–	142,789

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

11. Gross amount due to customers for contract work-in-progress

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Aggregate amount of costs incurred and recognised profits to date	125,108,889	31,901,458
Less: Progress billings and advances	<u>(136,484,107)</u>	<u>(41,808,016)</u>
	<u>(11,375,218)</u>	<u>(9,906,558)</u>
<i>Presented as:</i>		
Gross amount due from customers from contract work-in-progress	551,243	–
Gross amount due to customers for contract work-in-progress	<u>(11,926,461)</u>	<u>(9,906,558)</u>
	<u>(11,375,218)</u>	<u>(9,906,558)</u>
Advance billing included in gross amount due to customers for contract work-in-progress	<u>–</u>	<u>561,000</u>
Retention sums on construction contracts included in trade receivables (Note 12)	<u>8,419,900</u>	<u>6,197,427</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

12. Trade receivables

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Trade receivables	21,178,184	11,217,867
Retention receivables	8,419,900	6,197,427
	<u>29,598,084</u>	<u>17,415,294</u>

Trade receivables

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to S\$319,180 (31 December 2012: S\$393,013) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of each reporting period is as follows:

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Trade receivables past due:		
Less than 30 days	29,072	199,168
30 to 60 days	290,108	178,229
More than 60 days	–	15,616
	<u>319,180</u>	<u>393,013</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

13. Other receivables

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Other receivables	2,160,007	2,150,000
Deposits	58,502	14,452
Sundry receivables	3,571	1,556
	<u>2,222,080</u>	<u>2,166,008</u>

Other receivables relate to deposits given to an insurance company as cash collateral for performance bonds issued for construction projects.

14. Cash and short term deposits

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Cash at banks and on hand	1,101,668	4,792,392
Short term deposits	5,250,000	4,000,000
	<u>6,351,668</u>	<u>8,792,392</u>

Short term deposits are made for varying periods of between 1 week to 2 months depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 30 June 2013 for the Group was 0.25% (31 December 2012: 0.19%) per annum.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

14. Cash and short term deposits (cont’d)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 30 June:

	30 June 2013 (Unaudited) S\$	30 June 2012 (Unaudited) S\$
Cash and short term deposits	6,351,668	7,229,389
Less: Pledged deposits	<u>(1,250,000)</u>	<u>–</u>
Cash and cash equivalents	<u><u>5,101,668</u></u>	<u><u>7,229,389</u></u>

Pledged fixed deposits relate to amounts pledged to a bank by a subsidiary company as collateral for the issue of performance bonds.

Cash and short term deposits denominated in foreign currencies at 30 June and 31 December are as follows:

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
United States Dollar	<u><u>1,457</u></u>	<u><u>1,501</u></u>

15. Trade and other payables

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Trade payables	881,820	652,659
Accrued operating expenses	15,398,584	12,433,080
Sundry payables	<u>54,306</u>	<u>39,615</u>
	<u><u>16,334,710</u></u>	<u><u>13,125,354</u></u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

15. Trade and other payables (cont’d)

Trade payables

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

Sundry payables

Sundry payables are non-interest bearing and have an average term of 2 months.

16. Deferred tax liabilities

Deferred tax liabilities as at 30 June 2013 and 31 December 2012 relates to the following:

	Consolidated balance sheet	
	30 June 2013	31 December 2012
	(Unaudited)	(Audited)
	S\$	S\$
<i>Gross deferred tax assets</i>		
Provisions	6,583	1,566
	6,583	1,566
<i>Gross deferred tax liabilities</i>		
Excess of net carrying value of plant and equipment over tax written down value	(26,867)	(15,267)
	(26,867)	(15,267)
Net deferred tax liabilities	(20,284)	(13,701)

Tax consequences of proposed dividends

There are no income tax consequences (31 December 2012: S\$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

17. Share capital

	30 June 2013 (Unaudited) Number of shares	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) Number of shares	31 December 2012 (Audited) S\$
Issued and fully paid ordinary shares				
At beginning of the financial period/year	1,000,000	1,000,000	600,000	600,000
Bonus issue	–	–	400,000	400,000
Adjustment arising from Restructuring Exercise	2	2	–	–
At end of the financial period/year	<u>1,000,002</u>	<u>1,000,002</u>	<u>1,000,000</u>	<u>1,000,000</u>

The Company was incorporated on 5 June 2013 with an issued share capital of S\$2. The share capital and number of shares of the Group for the financial period ended 30 June 2013 represents the aggregate paid-up capital and number of shares of the Company and Figtree Projects Pte. Ltd. The share capital and number of shares of the Group for the financial year ended 31 December 2012 represents the aggregate paid-up capital and number of shares of Figtree Projects Pte. Ltd..

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

18. Foreign currency translation reserve

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

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
At beginning of financial period/year	300	379
Net effect of exchange differences arising from translation of financial statements of foreign operations	6,395	(79)
At end of financial period/year	<u>6,695</u>	<u>300</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

19. Significant related party transactions

(a) Sales and purchases of services

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

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Loans from shareholders	–	343,682
Repayment of loans from shareholders	–	(343,682)

(b) Compensation of key management personnel

	1 January 2013 to 30 June 2013 (Unaudited) S\$	1 January 2012 to 30 June 2012 (Unaudited) S\$
Salaries and bonuses	1,290,873	830,500
Central Provident Fund contributions	22,817	18,636
Other short-term benefits	5,242	15,489
Total compensation paid to key management personnel	1,318,932	864,625
Comprise amounts paid to:		
– Directors of the Company	1,095,976	717,384
– Other key management personnel	222,956	147,241
Total compensation paid to key management personnel	1,318,932	864,625

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

20. Operating lease commitments

The Group has entered into commercial property leases for its office premises and certain office equipment. These leases have an average tenure of 2 to 5 (31 December 2012: 2 to 5) years, with no contingent rent provision included in the contract. The leases contain renewable options. The Group is restricted from subleasing the leased property to third parties. Future minimum rentals payables under non-cancellable operating leases as at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Not later than one year	46,188	46,188
Later than one year but not later than five years	12,849	26,343
	59,037	72,531

21. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is, and has been throughout the current and previous financial periods, the Group’s policy that no trading in derivatives for speculative purposes shall be undertaken.

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

There has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group’s financial instruments will fluctuate because of changes in market interest rates. The Group’s exposure to interest rate risk arises primarily from their cash and short term deposits.

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 10 (30 June 2012: 10) basis points higher/lower with all other variables held constant, the Group’s profit net of tax would have been S\$2,179 (30 June 2012: S\$1,660) higher/lower, as a result of higher/lower interest income on cash and short term deposits.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

21. Financial risk management objectives and policies (cont’d)

(b) Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

The tables below summarise the maturity profile of the Group’s financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less	Total
	S\$	S\$
30 June 2013 (Unaudited)		
Financial assets:		
Trade receivables	29,598,084	29,598,084
Other receivables	2,222,080	2,222,080
Cash and short term deposits	6,351,668	6,351,668
Total undiscounted financial assets	<u>38,171,832</u>	<u>38,171,832</u>
Financial liabilities:		
Trade and other payables (exclude GST payables)	16,105,073	16,105,073
Total undiscounted financial liabilities	<u>16,105,073</u>	<u>16,105,073</u>
Total net undiscounted financial assets	<u>22,066,759</u>	<u>22,066,759</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

21. Financial risk management objectives and policies (cont’d)

(b) Liquidity risk (cont’d)

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

	One year or less	Total
	S\$’000	S\$’000
31 December 2012 (Audited)		
Financial assets:		
Trade receivables	17,415,294	17,415,294
Other receivables	2,166,008	2,166,008
Cash and short term deposits	8,792,392	8,792,392
Total undiscounted financial assets	<u>28,373,694</u>	<u>28,373,694</u>
Financial liabilities:		
Trade and other payables (exclude GST payables)	12,762,804	12,762,804
Total undiscounted financial liabilities	<u>12,762,804</u>	<u>12,762,804</u>
Total net undiscounted financial assets	<u>15,610,890</u>	<u>15,610,890</u>

(c) Credit risk

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

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

21. Financial risk management objectives and policies (cont’d)

(c) Credit risk (cont’d)

Credit risk concentration profile

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

	30 June 2013 (Unaudited)		31 December 2012 (Audited)	
	S\$	% of total	S\$	% of total
By country				
Singapore	29,534,521	99	17,325,084	99
China	11,828	–	21,026	–
Malaysia	51,735	1	69,184	1
	<u>29,598,084</u>	<u>100</u>	<u>17,415,294</u>	<u>100</u>
By industry sector				
Construction	<u>29,598,084</u>	<u>100</u>	<u>17,415,294</u>	<u>100</u>

At the end of the reporting period, approximately:

- 99% (31 December 2012: 99%) of the Group’s trade receivables were due from 3 (31 December 2012: 3) major customers who are multinational corporations and established developers located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

21. Financial risk management objectives and policies (cont’d)

(c) Credit risk (cont’d)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (Trade receivables).

(d) Foreign currency risk

Foreign exchange risk is deemed not significant by management as the Group’s sales and purchase transactions are wholly denominated in the functional currency of the respective entities.

The Group has cash and short term deposits in foreign currencies for working capital purposes. The foreign currency balances are disclosed in Note 14 (Cash and short term deposits).

22. Fair values of financial instruments

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

Trade receivables (Note 12), other receivables (Note 13), cash and short term deposits (Note 14), trade and other payables (Note 15)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

23. Financial instruments by category

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

	Note	Loans and receivables S\$	Liabilities at amortised cost S\$
30 June 2013 (Unaudited)			
Assets			
Trade receivables	12	29,598,084	–
Other receivables	13	2,222,080	–
Cash and short term deposits	14	6,351,668	–
Liabilities			
Trade and other payables (exclude GST payables)		–	16,105,073
		<u>38,171,832</u>	<u>16,105,073</u>
31 December 2012 (Audited)			
Assets			
Trade receivables	12	17,415,294	–
Other receivables	13	2,166,008	–
Cash and short term deposits	14	8,792,392	–
Liabilities			
Trade and other payables (exclude GST payables)		–	12,762,804
		<u>28,373,694</u>	<u>12,762,804</u>

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

24. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial period/year ended 30 June 2013 and 31 December 2012.

The Group’s capital structure consists of net debt, which includes trade and other payables, less cash and short term deposits. Capital includes equity attributable to the equity holders of the Company. The Group is currently in the process of establishing the measurement basis used to manage capital.

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

		30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
	Note		
Trade and other payables	15	16,334,710	13,125,354
Less: Cash and short term deposits	14	(6,351,668)	(8,792,392)
<i>Net debt</i>		9,983,042	4,332,962
Equity attributable to equity holders of the Company		9,127,844	4,917,236
<i>Total capital</i>		9,127,844	4,917,236
Capital and net debt		19,110,886	9,250,198

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

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

25. Segment information

For management purposes, the Group is organised into one operating segment, which is the design and construction segment.

Management monitors the operating results of this business unit for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margin of the operation.

Geographical information

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

	Revenues		Non-current assets	
	30 June 2013 (Unaudited) S\$	30 June 2012 (Unaudited) S\$	30 June 2013 (Unaudited) S\$	31 December 2012 (Audited) S\$
Singapore	49,830,183	34,788,983	138,405	139,614
China	52,442	176,759	32,889	3,175
Malaysia	—	125,324	—	—
	<u>49,882,625</u>	<u>35,091,066</u>	<u>171,294</u>	<u>142,789</u>

Information about major customers

Revenue from 2 (30 June 2012: 3) major customers amounted to S\$46,954,998 (30 June 2012: S\$29,442,813) in the design and construction segment.

26. Events after balance sheet date

On 26 August 2013, the Group entered into sale and purchase agreements to purchase three units of properties at 8 Jalan Kilang Barat #03-01, #03-02 and #03-09, Singapore 159351 for office use for an aggregate purchase price of S\$3,528,610. The properties have a leasehold tenure of 99 years commencing from 1 July 1962 and a remaining lease term of 47 years. The leasehold properties will be mortgaged to secure a 10-year term loan of S\$2,118,000 which is obtained to partially finance the purchase of the properties.

**APPENDIX B – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Consolidated Financial Statements – 30 June 2013 (cont’d)

26. Events after balance sheet date (cont’d)

On 28 August 2013, the subsidiary company, Figtree Developments Pte. Ltd., subscribed for 2,000 shares in the capital of Vibrant Properties Pte. Ltd. for a consideration of S\$2,000, thereby acquiring 20% interest in the issued and paid-up share capital of Vibrant Properties Pte. Ltd. The principal activities of Vibrant Properties Pte. Ltd. are that of real estate activities with own or leased property and real estate developers.

27. Authorisation of financial statements

The financial statements for the period ended 30 June 2013 were authorised for issue in accordance with a resolution of the Directors on 29 October 2013.

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**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

**FIGTREE HOLDINGS LIMITED
AND ITS SUBSIDIARY COMPANIES**

Report on Unaudited Pro Forma Consolidated Financial Statements
For the financial year ended 31 December 2012
and the six-month period ended 30 June 2013

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Reporting Accountant’s Report on Unaudited Pro Forma Consolidated Financial
Statements of Figtree Holdings Limited and its Subsidiary Companies for the financial year
ended 31 December 2012 and the six-month period ended 30 June 2013**

29 October 2013

The Board of Directors
Figtree Holdings Limited
315 Outram Road
#13-10 Tan Boon Liat Building
Singapore 169074

Dear Sirs:

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of Figtree Holdings Limited (the “Company”) and its subsidiary companies (collectively, the “Group”) by management of the Company. The unaudited pro forma consolidated financial information consists of the unaudited pro forma consolidated balance sheets as at 31 December 2012 and 30 June 2013, the unaudited pro forma consolidated income statements and the unaudited pro forma consolidated cash flow statements for the financial year ended 31 December 2012 and for the six-month period ended 30 June 2013, and related notes as set out on pages C-5 to C-23 of the Offer Document issued by the Company. The applicable criteria (the “Criteria”) on the basis of which management has compiled the unaudited pro forma consolidated financial information are described in Note 3.

The unaudited pro forma consolidated financial information has been compiled by management to illustrate the impact of the transactions set out in Note 2 on:

- (i) the Group’s financial position as at 31 December 2012 and 30 June 2013 as if the transactions had taken place on those dates; and
- (ii) the Group’s financial performance and cash flows for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013 as if the transactions had taken place on 1 January 2012.

The dates on which the transactions described above are assumed to have been undertaken, are hereinafter collectively referred to as “the Relevant Dates”.

As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by management from the Group’s financial statements for the financial year ended 31 December 2012 and for the six-month period ended 30 June 2013, on which an audit report and a review report have been published respectively.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Reporting Accountant’s Report on Unaudited Pro Forma Consolidated Financial
Statements of Figtree Holdings Limited and its Subsidiary Companies for the financial year
ended 31 December 2012 and the six-month period ended 30 June 2013 (cont’d)**

Management’s Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the unaudited pro forma consolidated financial information on the basis of the Criteria.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by management on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Singapore Chartered Accountants. This standard requires that the Reporting Accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information.

The purpose of unaudited pro forma consolidated financial information included in an offer document is solely to illustrate the impact of a significant transaction on unadjusted financial information of the entity as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by management in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those Criteria; and
- The unaudited pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Reporting Accountant’s Report on Unaudited Pro Forma Consolidated Financial
Statements of Figtree Holdings Limited and its Subsidiary Companies for the financial year
ended 31 December 2012 and the six-month period ended 30 June 2013 (cont’d)**

The procedures selected depend on the Reporting Accountant’s judgment, having regard to the Reporting Accountant’s understanding of the nature of the Group, the transactions in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma consolidated financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited financial statements, which are in accordance with Singapore Financial Reporting Standards;
 - (ii) on the basis of the Criteria stated in Note 3 of the unaudited pro forma consolidated financial information; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information is appropriate for the purpose of preparing such unaudited financial information.

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on Catalist.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Tan Chian Khong
Partner

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Unaudited Pro Forma Consolidated Income Statements for the financial year ended 31
December 2012 and the six-month period ended 30 June 2013**

(Amounts in Singapore dollars)

	Note	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Revenue		59,914,164	49,882,625
Cost of sales		(54,176,456)	(41,885,140)
Gross profit		5,737,708	7,997,485
Other income		63,407	11,019
Administrative expenses		(1,410,403)	(1,167,195)
Finance costs		(31,346)	(17,918)
Profit before taxation	5	4,359,366	6,823,391
Tax expense	6	(648,479)	(1,214,475)
Profit for the year/period		3,710,887	5,608,916
Profit attributable to:			
Equity holders of the Company		3,704,983	5,648,757
Non-controlling interests		5,904	(39,841)
		3,710,887	5,608,916
Earnings per share			
Basic and diluted (cents)	7	1.66	2.53

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

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Unaudited Pro Forma Consolidated Balance Sheets as at 31 December 2012 and 30 June 2013

(Amounts in Singapore dollars)

	Note	As at 31 December 2012 S\$	As at 30 June 2013 S\$
Non-current assets			
Property, plant and equipment	8	3,671,399	3,699,904
Current assets			
Advance payment to a subcontractor		59,100	–
Gross amount due from customers for contract work-in-progress		–	551,243
Trade receivables		17,415,294	29,598,084
Other receivables		2,166,008	2,222,080
Prepayments		87,944	63,166
Cash and short term deposits	9	7,381,782	4,941,058
		27,110,128	37,375,631
Current liabilities			
Gross amount due to customers for contract work-in-progress		9,906,558	11,926,461
Trade and other payables		13,125,354	16,334,710
Term loan – current portion	10	211,800	211,800
Provision for taxation		636,086	1,523,483
		23,879,798	29,996,454
Net current assets		3,230,330	7,379,177
Non-current liabilities			
Deferred tax liabilities		13,701	20,284
Term loan – non-current portion	10	1,906,200	1,906,200
		1,919,901	1,926,484
Net assets		4,981,828	9,152,597
Equity attributable to equity holders of the Company			
Share capital		1,000,000	1,000,002
Accumulated profits		3,916,936	8,121,149
Foreign currency translation reserve		300	6,695
		4,917,236	9,127,846
Non-controlling interests		64,592	24,751
Total equity		4,981,828	9,152,597

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

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Unaudited Pro Forma Consolidated Cash Flow Statements for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013

(Amounts in Singapore dollars)

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Cash flows from operating activities		
Profit before taxation	4,359,366	6,823,391
Adjustments:		
Depreciation of property, plant and equipment	116,313	66,672
Write off of plant and equipment	–	5,804
Interest income	(9,235)	(8,119)
Interest expense	31,346	17,918
Operating cash flows before working capital changes	4,497,790	6,905,666
(Increase)/decrease in:		
Gross amount due from customers for contract work-in-progress	–	(551,243)
Trade and other receivables	(4,587,364)	(12,182,789)
Other receivables and prepayments	(1,550,652)	27,808
Increase in:		
Gross amount due to customers for contract work-in-progress	3,571,196	2,019,903
Trade and other payables	2,774,343	3,209,356
Cash flows generated from/(used in) operations	4,705,313	(571,299)
Income tax paid	(107,406)	(320,496)
Net cash flows generated from/(used in) operating activities	4,597,907	(891,795)
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,660,525)	(3,591,950)
Interest received	9,235	8,119
Net cash flows used in investing activities	(3,651,290)	(3,583,831)

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Unaudited Pro Forma Consolidated Cash Flow Statements for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013 (cont’d)

(Amounts in Singapore dollars)

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Cash flows from financing activities		
Dividends paid on ordinary shares	–	(1,500,000)
Placement of pledged bank deposits	–	(1,250,000)
Proceeds from term loan	2,118,000	2,118,000
Net cash flows generated from/(used in) financing activities	<u>2,118,000</u>	<u>(632,000)</u>
Net increase/(decrease) in cash and cash equivalents	3,064,617	(5,107,626)
Effects of exchange rate changes on cash and cash equivalents	(102)	6,292
Cash and cash equivalents at beginning of the financial year/period	<u>4,317,267</u>	<u>8,792,392</u>
Cash and cash equivalents at end of the financial year/period (Note 9)	<u><u>7,381,782</u></u>	<u><u>3,691,058</u></u>

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

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Statements of Adjustments for the Unaudited Pro Forma Consolidated Income Statements
(Amounts in Singapore dollars)

	Audited Consolidated Income Statement S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Income Statement S\$
Year ended 31 December 2012			
Revenue	59,914,164		59,914,164
Cost of sales	(54,176,456)		(54,176,456)
Gross profit	<u>5,737,708</u>		<u>5,737,708</u>
Other income	63,407		63,407
Administrative expenses	(1,335,326)	(75,077) ⁽²⁾	(1,410,403)
Finance costs	—	(31,346) ⁽²⁾	(31,346)
Profit before taxation	4,465,789		4,359,366
Tax expense	(648,479)		(648,479)
Profit for the year	<u><u>3,817,310</u></u>		<u><u>3,710,887</u></u>
Profit attributable to:			
Equity holders of the Company	3,811,406		3,704,983
Non-controlling interests	5,904		5,904
	<u><u>3,817,310</u></u>		<u><u>3,710,887</u></u>
Earnings per share			
Basic and diluted (cents)	<u><u>1.71</u></u>		<u><u>1.66</u></u>

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Statements of Adjustments for the Unaudited Pro Forma Consolidated Income Statements
(cont’d)**

(Amounts in Singapore dollars)

	Unaudited Consolidated Income Statement S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Income Statement S\$
Six-month period ended 30 June 2013			
Revenue	49,882,625		49,882,625
Cost of sales	(41,885,140)		(41,885,140)
Gross profit	<u>7,997,485</u>		<u>7,997,485</u>
Other income	11,019		11,019
Administrative expenses	(1,129,657)	(37,538) ⁽²⁾	(1,167,195)
Finance costs	<u>–</u>	(17,918) ⁽²⁾	<u>(17,918)</u>
Profit before taxation	6,878,847		6,823,391
Tax expense	<u>(1,214,475)</u>		<u>(1,214,475)</u>
Profit for the period	<u><u>5,664,372</u></u>		<u><u>5,608,916</u></u>
Profit attributable to:			
Equity holders of the Company	5,704,213		5,648,757
Non-controlling interests	<u>(39,841)</u>		<u>(39,841)</u>
	<u><u>5,664,372</u></u>		<u><u>5,608,916</u></u>
Earnings per share			
Basic and diluted (cents)	<u><u>2.56</u></u>		<u><u>2.53</u></u>

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Statements of Adjustments for the Unaudited Pro Forma Consolidated Balance Sheets
(Amounts in Singapore dollars)

	Audited Consolidated Balance Sheet S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Balance Sheet S\$
As at 31 December 2012			
Non-current assets			
Property, plant and equipment	142,789	3,528,610 ⁽¹⁾	3,671,399
Current assets			
Advance payment to a subcontractor	59,100		59,100
Trade receivables	17,415,294		17,415,294
Other receivables	2,166,008		2,166,008
Prepayments	87,944		87,944
Cash and short term deposits	8,792,392	(1,410,610) ⁽¹⁾	7,381,782
	28,520,738		27,110,128
Current liabilities			
Gross amount due to customers for contract work-in-progress	9,906,558		9,906,558
Trade and other payables	13,125,354		13,125,354
Term loan – current portion	–	211,800 ⁽¹⁾	211,800
Provision for taxation	636,086		636,086
	23,667,998		23,879,798
Net current assets	4,852,740		3,230,330
Non-current liabilities			
Deferred tax liabilities	13,701		13,701
Term loan – non-current portion	–	1,906,200 ⁽¹⁾	1,906,200
	13,701		1,919,901
Net assets	4,981,828		4,981,828
Equity attributable to equity holders of the Company			
Share capital	1,000,000		1,000,000
Accumulated profits	3,916,936		3,916,936
Foreign currency translation reserve	300		300
	4,917,236		4,917,236
Non-controlling interests	64,592		64,592
Total equity	4,981,828		4,981,828

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Statements of Adjustments for the Unaudited Pro Forma Consolidated Balance Sheets
(cont’d)**

(Amounts in Singapore dollars)

	Unaudited Consolidated Balance Sheet S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Balance Sheet S\$
As at 30 June 2013			
Non-current assets			
Property, plant and equipment	171,294	3,528,610 ⁽¹⁾	3,699,904
Current assets			
Gross amount due from customers for contract work-in-progress	551,243		551,243
Trade receivables	29,598,084		29,598,084
Other receivables	2,222,080		2,222,080
Prepayments	63,166		63,166
Cash and short term deposits	6,351,668	(1,410,610) ⁽¹⁾	4,941,058
	38,786,241		37,375,631
Current liabilities			
Gross amount due to customers for contract work-in-progress	11,926,461		11,926,461
Trade and other payables	16,334,710		16,334,710
Term loan – current portion	–	211,800 ⁽¹⁾	211,800
Provision for taxation	1,523,483		1,523,483
	29,784,654		29,996,454
Net current assets	9,001,587		7,379,177
Non-current liabilities			
Deferred tax liabilities	20,284		20,284
Term loan – non-current portion	–	1,906,200 ⁽¹⁾	1,906,200
	20,284		1,926,484
Net assets	9,152,597		9,152,597
Equity attributable to equity holders of the Company			
Share capital	1,000,002		1,000,002
Accumulated profits	8,121,149		8,121,149
Foreign currency translation reserve	6,695		6,695
	9,127,846		9,127,846
Non-controlling interests	24,751		24,751
Total equity	9,152,597		9,152,597

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Statements of Adjustments for the Unaudited Pro Forma Consolidated Cash Flow Statements

(Amounts in Singapore dollars)

	Audited Consolidated Cash Flow S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Cash Flow S\$
Year ended 31 December 2012			
Cash flows from operating activities			
Profit before taxation	4,465,789	(106,423) ⁽²⁾	4,359,366
Adjustments:			
Depreciation of property, plant and equipment	41,236	75,077 ⁽²⁾	116,313
Interest income	(9,235)		(9,235)
Interest expense	–	31,346 ⁽²⁾	31,346
Operating cash flows before working capital changes	4,497,790		4,497,790
Increase in:			
Trade and other receivables	(4,587,364)		(4,587,364)
Other receivables and prepayments	(1,550,652)		(1,550,652)
Increase in:			
Gross amount due to customers for contract work-in-progress	3,571,196		3,571,196
Trade and other payables	2,774,343		2,774,343
Cash flows generated from operations	4,705,313		4,705,313
Income tax paid	(107,406)		(107,406)
Net cash flows generated from operating activities	4,597,907		4,597,907
Cash flows from investing activities			
Purchases of property, plant and equipment	(131,915)	(3,528,610) ⁽¹⁾	(3,660,525)
Interest received	9,235		9,235
Net cash flows used in investing activities	(122,680)		(3,651,290)
Cash flows from financing activities			
Proceeds from term loan	–	2,118,000 ⁽¹⁾	2,118,000
Net cash flows generated from financing activities	–		2,118,000
Net increase in cash and cash equivalents	4,475,227		3,064,617
Effects of exchange rate changes on cash and cash equivalents	(102)		(102)
Cash and cash equivalents at beginning of the financial year	4,317,267		4,317,267
Cash and cash equivalents at end of the financial year	8,792,392		7,381,782

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Statements of Adjustments for the Unaudited Pro Forma Consolidated Cash Flow
Statements (cont’d)**

(Amounts in Singapore dollars)

	Unaudited Consolidated Cash Flow S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Cash Flow S\$
Six-month period ended 30 June 2013			
Cash flows from operating activities			
Profit before taxation	6,878,847	(55,456) ⁽²⁾	6,823,391
Adjustments:			
Depreciation of property, plant and equipment	29,134	37,538 ⁽²⁾	66,672
Write off of plant and equipment	5,804		5,804
Interest income	(8,119)		(8,119)
Interest expense	–	17,918 ⁽²⁾	17,918
Operating cash flows before working capital changes	6,905,666		6,905,666
(Increase)/decrease in:			
Gross amount due from customers for contract work-in-progress	(551,243)		(551,243)
Trade and other receivables	(12,182,789)		(12,182,789)
Other receivables and prepayments	27,808		27,808
Increase in:			
Gross amount due to customers for contract work-in-progress	2,019,903		2,019,903
Trade and other payables	3,209,356		3,209,356
Cash flows used in operations	(571,299)		(571,299)
Income tax paid	(320,496)		(320,496)
Net cash flows used in operating activities	(891,795)		(891,795)
Cash flows from investing activities			
Purchases of property, plant and equipment	(63,340)	(3,528,610) ⁽¹⁾	(3,591,950)
Interest received	8,119		8,119
Net cash flows used in investing activities	(55,221)		(3,583,831)

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

**Statements of Adjustments for the Unaudited Pro Forma Consolidated Cash Flow
Statements (cont’d)**

(Amounts in Singapore dollars)

	Unaudited Consolidated Cash Flow S\$	Pro Forma Adjustments S\$	Unaudited Pro Forma Consolidated Cash Flow S\$
Six-month period ended 30 June 2013			
Cash flows from financing activities			
Dividends paid on ordinary shares	(1,500,000)		(1,500,000)
Placement of pledged bank deposits	(1,250,000)		(1,250,000)
Proceeds from term loan	–	2,118,000 ⁽¹⁾	2,118,000
Net cash flows used in financing activities	<u>(2,750,000)</u>		<u>(632,000)</u>
Net decrease in cash and cash equivalents	(3,697,016)		(5,107,626)
Effects of exchange rate changes on cash and cash equivalents	6,292		6,292
Cash and cash equivalents at beginning of the period	<u>8,792,392</u>		<u>8,792,392</u>
Cash and cash equivalents at end of the period	<u>5,101,668</u>		<u>3,691,058</u>

Details of the pro forma adjustments are as follows:

- (1) To reflect the effect of acquiring three units of leasehold properties for office use for an aggregate purchase price of S\$3,528,610, which is partially financed by a 10-year term loan of S\$2,118,000.
- (2) To reflect the depreciation of the leasehold properties and interest charge of the term loan in the periods presented.

In the Directors’ opinion, the tax effect of the depreciation and interest charge is not significant and as such, no adjustment for the tax effect has been made to the unaudited pro forma consolidated income statements.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements

(Amounts in Singapore dollars)

1. Corporate information

The Company was incorporated in the Republic of Singapore on 5 June 2013 as a private limited company under the name of Figtree Holdings Pte. Ltd. with an issued and paid up share capital of S\$2 comprising of two ordinary shares. On 11 October 2013, the Company was converted into a public company and changed its name to Figtree Holdings Limited.

The registered office and principal place of business of the Company is located at 315 Outram Road, #13-10 Tan Boon Liat Building, Singapore 169074.

The principal activity of the Company is that of investment holding.

2. The acquisition of leasehold properties

On 26 August 2013, the Group entered into sale and purchase agreements to purchase three units of properties at 8 Jalan Kilang Barat #03-01, #03-02 and #03-09, Singapore 159351 for office use for an aggregate purchase price of S\$3,528,610. The properties have a leasehold tenure of 99 years commencing from 1 July 1962. The cost of the properties is depreciated on a straight-line basis over the remaining lease term of the properties of 47 years. The leasehold properties will be mortgaged to secure a 10-year term loan of S\$2,118,000 which is obtained to partially finance the purchase of the properties.

3. Basis of preparation of the pro forma consolidated financial statements

The pro forma consolidated financial statements have been prepared for illustrative purposes only. They have been prepared based on certain assumptions and after making certain adjustments to show:

- (i) what the financial results and cash flows of the Group for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013 would have been had the acquisition of the leasehold properties which is partially financed by a term loan as stated in Note 2, occurred on 1 January 2012; and
- (ii) what the financial position of the Group as at 31 December 2012 and 30 June 2013 would have been had the acquisition of the leasehold properties which is partially financed by a term loan as stated in Note 2, occurred on those respective dates.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

3. Basis of preparation of the pro forma consolidated financial statements (cont’d)

Based on the assumptions discussed above, the following adjustments have been made to the audited/unaudited consolidated financial statements of Figtree Holdings Pte. Ltd. and its subsidiary companies in arriving at the Unaudited Pro Forma Consolidated Financial Statements included herein:

- (1) being adjustments to effect the acquisition of three units of leasehold properties for office use for an aggregate purchase price of S\$3,528,610, which is partially financed by a 10-year term loan of S\$2,118,000; and
- (2) being adjustments to effect the depreciation of the leasehold properties and interest charge of the term loan in the periods presented.

The unaudited pro forma consolidated financial information, because of its nature, is not necessarily indicative of the results of operations, cash flows and financial position that would have been attained had the transactions as stated in Note 2 actually occurred earlier.

4. Significant accounting policies

The unaudited pro forma consolidated financial information is prepared using the same accounting policies as the audited consolidated financial statements of the Group for the financial year ended 31 December 2012 and the unaudited interim consolidated financial statements of the Group for the six-month period ended 30 June 2013.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

5. Profit before taxation

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

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Depreciation of property, plant and equipment	116,313	66,672
Write off of plant and equipment	–	5,804
Interest expense	31,346	17,918
Foreign exchange loss, net	1,011	–
Operating lease expense	102,042	36,494
Employee benefits expense	3,227,771	1,724,586

6. Tax expense

Major components of tax expense

The major components of tax expense for the financial year/period ended 31 December 2012 and 30 June 2013 are:

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Current taxation		
– current income taxation	634,657	1,207,927
– under/(over) provision in respect of prior years	121	(35)
Deferred taxation		
– movement in temporary differences	13,701	6,583
Tax expense recognised in profit or loss	648,479	1,214,475

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

6. Tax expense (cont’d)

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year/period ended 31 December 2012 and 30 June 2013 are as follows:

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Profit before taxation	4,359,366	6,823,391
Tax at domestic rates applicable to profit in the countries where the Group operates	742,886	1,151,378
Adjustments:		
Expenses not deductible for tax purposes	21,154	78,012
Income not subject to tax	–	(639)
Tax incentives (productivity and innovation credit allowance)	(52,474)	(16,999)
Corporate income tax rebate	(30,000)	–
Tax effect of Singapore statutory stepped income exemption	(25,925)	(25,925)
Under/(over) provision in respect of prior years	121	(35)
Others	(7,283)	28,683
Tax expense recognised in profit or loss	648,479	1,214,475

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

7. Earnings per share

Earnings per share is calculated by dividing the Group’s profit attributable to ordinary equity holders of the Company for the year/period by the pre-placement share capital of 223,000,000.

The following table reflects the profit for the year/period and share data used in the computation of basic and diluted earnings per share for the year/period ended 31 December 2012 and 30 June 2013:

	Year ended 31 December 2012	Six-month period ended 30 June 2013
Profit for the year/period attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share (S\$)	3,704,983	5,648,757
Number of ordinary shares	223,000,000	223,000,000

8. Property, plant and equipment

	Leasehold properties S\$	Computers S\$	Office equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Total S\$
Cost						
At 1 January 2012	–	32,299	3,127	53,962	–	89,388
Additions	3,528,610	68,948	3,127	59,840	–	3,660,525
Translation adjustment	–	–	16	–	–	16
At 31 December 2012 and 1 January 2013	3,528,610	101,247	6,270	113,802	–	3,749,929
Additions	–	26,700	245	4,000	32,395	63,340
Write off	–	–	–	(17,344)	–	(17,344)
Translation adjustment	–	–	–	–	253	253
At 30 June 2013	3,528,610	127,947	6,515	100,458	32,648	3,796,178

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

8. Property, plant and equipment (cont’d)

	Leasehold properties S\$	Computers S\$	Office equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Total S\$
Accumulated depreciation						
At 1 January 2012	–	12,772	440	24,089	–	37,301
Charge for the year	–	20,469	1,701	19,066	–	41,236
Translation adjustment	–	–	(7)	–	–	(7)
At 31 December 2012 and 1 January 2013	–	33,241	2,134	43,155	–	78,530
Charge for the period	–	16,037	268	10,046	2,783	29,134
Write off	–	–	–	(11,540)	–	(11,540)
Translation adjustment	–	–	–	–	150	150
At 30 June 2013	–	49,278	2,402	41,661	2,933	96,274
Net carrying amount						
At 30 June 2013	3,528,610	78,669	4,113	58,797	29,715	3,699,904
At 31 December 2012	3,528,610	68,006	4,136	70,647	–	3,671,399

The Group’s leasehold properties with a carrying amount of S\$3,528,610 as at 31 December 2012 and 30 June 2013 will be mortgaged to secure the Group’s term loan (Note 10).

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

9. Cash and short term deposits

	As at 31 December 2012 S\$	As at 30 June 2013 S\$
Cash at banks and on hand	3,381,782	691,058
Short term deposits	4,000,000	4,250,000
	<u>7,381,782</u>	<u>4,941,058</u>

Short term deposits are made for varying periods of between 1 week to 2 months depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2012 and 30 June 2013 for the Group was 0.19% per annum and 0.25% per annum respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the year/period:

	Year ended 31 December 2012 S\$	Six-month period ended 30 June 2013 S\$
Cash and short term deposits	7,381,782	4,941,058
Less: Pledged deposits	–	(1,250,000)
Cash and cash equivalents	<u>7,381,782</u>	<u>3,691,058</u>

Pledged fixed deposits relate to amounts pledged to a bank by a subsidiary company as collateral for the issue of performance bonds.

**APPENDIX C – INDEPENDENT AUDITOR’S REPORT ON THE UNAUDITED
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF FIGTREE
HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND THE SIX-MONTH
PERIOD ENDED 30 JUNE 2013**

Figtree Holdings Limited and its Subsidiary Companies

Notes to the Unaudited Pro Forma Consolidated Financial Statements (cont’d)
(Amounts in Singapore dollars)

10. Term loan

	Maturity	As at 31 December 2012 S\$	As at 30 June 2013 S\$
Secured bank loan			
SGD floating rate loan	2023	2,118,000	2,118,000
Amount payable:			
Within one year		211,800	211,800
After one year		1,906,200	1,906,200
		<u>2,118,000</u>	<u>2,118,000</u>

The bank loan bears interest at 1.48% and 1.88% per annum for the first and second year commencing on 26 September 2013 respectively. Thereafter, interest shall be at SIBOR + 3.0% per annum. The bank loan is repayable in 120 monthly instalments commencing on 26 September 2013.

The bank loan will be secured by a first legal mortgage over a subsidiary company’s leasehold properties with a net carrying amount of S\$3,528,610 at the end of the year/period (Note 8) and a joint and several personal guarantee from certain Directors.

11. Other information

Other than disclosed as above, there are no changes to the unaudited pro forma consolidated financial information as compared to the audited/unaudited consolidated financial statements of the Group for the financial year ended 31 December 2012 and the six-month period ended 30 June 2013. Accordingly, no separate note disclosures, other than those disclosed above, have been made from those as provided under the Notes to the Audited Consolidated Financial Statements for the financial years ended 31 December 2010, 2011 and 2012 and the Notes to the Unaudited Interim Consolidated Financial Statements for the six-month period ended 30 June 2013.

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APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

The discussion below provides information about certain provisions of our Articles of Association. This description is only a summary and is qualified by reference to our Articles of Association. The following are extracts of the provisions in our Articles relating to:

(a) **A director's power to vote on a proposal, arrangement or contract in which he is interested**

Article 90(1) – Powers of Directors to contract with Company

No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Companies Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any transactions to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the Exchange. No Director shall vote in respect of any contract, arrangement or transaction in which he has directly or indirectly a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted.

Article 90(2) – Relaxation of restriction on voting

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to these Articles or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Article 91(3) – Exercise of voting power

The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

- (b) **A director's power to vote on remuneration (including pension or other benefits) for himself or for any other director and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote**

Article 86(1) – Fees

The fees of the Directors shall be determined from time to time by the Company in general meetings and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Article 86(2) – Extra remuneration

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

Article 86(3) – Remuneration of director

The fees (including any remuneration under Article 86(2) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

Article 87 – Expenses

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Article 88 – Pensions to directors and dependents

Subject to the Companies Act, the Directors on behalf of the Company may pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections or to any persons in respect of and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Article 89 – Benefits for employees

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

Article 94 – Remuneration of Chief Executive Officer/Managing Director

The remuneration of a Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participating in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Article 103(1) – Alternate Directors

Any Director of the Company may at any time appoint any person who is not a Director or alternate Director and who is approved by a majority of his co-Directors to be his alternate Director for such period as he thinks fit and may at any time remove any such alternate Director from office. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an alternate Director shall be deducted from the remuneration otherwise payable to his appointor.

(c) The borrowing powers exercisable by the directors and how such borrowing powers may be varied

Article 118 – Directors' borrowing powers

The Directors may at their discretion exercise all the powers of the Company to borrow or otherwise raise money, to mortgage, charge or hypothecate all or any property or business of the Company including any uncalled or called but unpaid capital and to issue debentures or give any other security for any debt or obligation of the Company or of any third party.

(d) The retirement or non-retirement of a director under an age limit requirement

Article 93 – Chief Executive Officer/Managing Director to be subject to retirement by rotation

Any Director who is appointed as a Chief Executive Officer/Managing Director (or an equivalent appointment) shall be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company. The appointment of any Director to the office of Chief Executive Officer/Managing Director (or any Director holding an equivalent appointment) shall not automatically determine if he ceases from any cause to be

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Article 96(1)(viii) – Vacation of office of director

Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated subject to the provisions of the Companies Act, at the conclusion of the Annual General Meeting commencing next after he attains the age of seventy (70) years.

Article 98 – Retirement of directors by rotation

Subject to these Articles and to the Companies Act, at each Annual General Meeting at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Provided that all Directors shall retire from office at least once every three (3) years.

Article 99 – Selection of directors to retire

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for the three (3) years since their last election. However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Article 100 – Deemed re-elected

The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:

- (i) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (ii) such Director is disqualified under the Companies Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected;
- (iii) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (iv) such Director has attained any retiring age applicable to him as a Director.

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

(e) The number of shares, if any, required for the qualification of a director

Article 85 – Qualifications

A Director need not be a Member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at general meetings but subject to the provisions of the Companies Act he shall not be of or over the age of seventy (70) years at the date of his appointment.

(f) The rights, preferences and restrictions attaching to each class of shares

Article 4 – Issue of new shares

Subject to the Companies Act and these Articles, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in general meeting but subject thereto and to Article 47, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.

Article 5(1) – Rights attached to certain shares

Preference shares may be issued subject to such limitations thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or these Articles. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.

Article 5(2)

The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

Article 7(2) – Rights of preference shareholders

The repayment of preference capital other than redeemable preference or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting,

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution carried at the general meeting.

Article 16(1) – Entitlement to certificate

Shares must be allotted and certificates despatched within ten (10) market days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) market days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed) for each such new certificate as the Directors may determine. Where the member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Article 21(1) – Directors' power to decline to register

Subject to these Articles, there shall be no restriction on the transfer of fully paid up shares except where required by law or by the rules, bye-laws or listing rules of the Exchange but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Companies Act and the listing rules of the Exchange.

Article 47 – Rights and privileges of new shares

Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

Article 71(1) – Voting rights of Members

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 6, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

Article 71(3)

Notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than forty-eight (48) hours before the time of the relevant general meeting (the cut-off time) as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

Article 72 – Voting rights of joint holders

Where there are joint holders of any share any one (1) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one (1) of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.

Article 73 – Voting rights of members of unsound mind

If a Member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.

Article 74 – Right to vote

Subject to the provisions of these Articles, every Member either personally or by proxy or by attorney or in the case of a corporation by a representative shall be entitled to be present and to vote at any general meeting and to be reckoned in the quorum thereat in respect of shares

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

fully paid and in respect of partly paid shares where calls are not due and unpaid. In the event a member has appointed more than one (1) proxy, only one (1) proxy is counted in determining the quorum.

(g) Any change in capital

Article 50(1) – Power to consolidate, cancel and subdivide shares

The Company may by ordinary resolution alter its share capital in the manner permitted under the Companies Act including without limitation:

- (i) consolidate and divide all or any of its shares;
- (ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Companies Act;
- (iii) subdivide its shares or any of them (subject to the provisions of the Companies Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (iv) subject to the provisions of these Articles and the Companies Act, convert any class of shares into any other class of shares.

Article 50(2) – Repurchase of Company's shares

The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Companies Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Companies Act.

Article 51 – Power to reduce capital

The Company may by special resolution reduce its share capital or any other undistributable reserve in any manner subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Companies Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

- (h) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law**

Article 7(1) – Variation of rights

If at any time the share capital is divided into different classes, the repayment of preference capital other than redeemable preference capital and the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class and to every such special resolution, the provisions of Section 184 of the Companies Act shall, with such adaptations as are necessary, apply. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the general meeting shall be as valid and effectual as a special resolution carried at the general meeting.

Article 8 – Creation or issue of further shares with special rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

- (i) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement operates**

Article 130(1) – Unclaimed dividends

The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever. If the Depositor returns any such dividend or money to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or money against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other money was first payable.

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

(j) **Any limitation on the right to own shares including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the shares**

Article 11 – No trust recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share.

Article 20 – Person under disability

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

Article 48(1) – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 48(2)

Notwithstanding Article 48(1) above but subject to the Companies Act and the byelaws and listing rules of the Exchange, the Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:

- (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant Instruments; and/or
- (iii) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

APPENDIX D – SELECTED EXTRACTS OF OUR ARTICLES OF ASSOCIATION

provided that:

- (a) the aggregate number of shares or Instruments to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed any applicable limits prescribed by the Exchange;
- (b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the Exchange) and the Articles; and
- (c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the ordinary resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act (whichever is the earliest).

Article 48(3)

Notwithstanding Article 48(1) above but subject to the Companies Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but may sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

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APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE ESOS

The ESOS shall be called the “Figtree Employee Share Option Scheme”.

2. DEFINITIONS

2.1 In the ESOS, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Associate”	:	Has the meaning assigned to it by the Listing Manual, as amended, modified or supplemented from time to time
“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Committee”	:	The remuneration committee of the Company, or such other committee comprising directors of the Company duly authorised and appointed by the Board to administer this ESOS
“Company”	:	Figtree Holdings Limited
“control”	:	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A shareholder exercising control over the Company and unless rebutted, a person who controls directly or indirectly 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder of the Company
“Date of Grant”	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7
“Director”	:	A person holding office as a director for the time being of the Company and/or its Subsidiaries, as the case may be
“ESOS”	:	The Figtree Employee Share Option Scheme, as the same may be modified or altered from time to time

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

<i>“Executive Director”</i>	:	A director of the Company and/or its Subsidiaries, as the case may be, who performs an executive function within the Company or the relevant Subsidiary, as the case may be
<i>“Exercise Price”</i>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10
<i>“Grantee”</i>	:	A person to whom an offer of an Option is made
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Group Employee”</i>	:	Any confirmed full time employee of the Group (including any Executive Director) selected by the Committee to participate in the ESOS in accordance with Rule 4
<i>“Listing Manual”</i>	:	Section B of the listing manual of the SGX-ST: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Price”</i>	:	A price equal to the average of the last dealt prices for the Shares on Catalist over the five consecutive Market Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
<i>“Non-Executive Director”</i>	:	A director of the Company and/or its Subsidiaries, as the case may be, other than an Executive Director but including the independent Directors of the Company
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made pursuant to the ESOS
<i>“Offeree”</i>	:	The person to whom an offer of an Option is made
<i>“Option”</i>	:	The right to subscribe for Shares granted or to be granted to a Group Employee pursuant to the ESOS and for the time being subsisting
<i>“Participant”</i>	:	The holder of an Option

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

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|-----------------------------|---|--|
| <i>“Record Date”</i> | : | The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions |
| <i>“Rules”</i> | : | Rules of the Figtree Employee Share Option Scheme |
| <i>“securities account”</i> | : | The securities account maintained by a Depositor with CDP |
| <i>“SGX-ST”</i> | : | Singapore Exchange Securities Trading Limited |
| <i>“Shareholders”</i> | : | Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts are credited with Shares |
| <i>“Shares”</i> | : | Ordinary shares in the capital of the Company |
| <i>“Sponsor”</i> | : | The sponsor appointed by the Company in accordance with the Listing Manual, for such time as the Company remains listed on the Catalist Board of the SGX-ST |
| <i>“Subsidiaries”</i> | : | Companies which are for the time being subsidiaries of the Company as defined by Section 5 of the Act; and “Subsidiary” means each of them |
| <i>“%”</i> | : | Per centum |
| <i>“S\$”</i> | : | Singapore dollars |
- 2.2 The term “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to it by Section 130A of the Act and the term “Associate” shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to Catalist (as modified, supplemented or amended from time to time).
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the ESOS is a reference to Singapore time.
- 2.5 Any reference in the ESOS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Unless otherwise defined, any word defined under the Act or any statutory modification thereof and used in the ESOS shall have the meaning assigned to it under the Act.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

3. OBJECTIVES OF THE ESOS

- 3.1 The ESOS will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group (including Executive Directors) and Non-Executive Directors (including Independent Directors) and who satisfy the eligibility criteria as set out in Rule 4 of the ESOS, to participate in the equity of the Company.
- 3.2 The ESOS is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the success and continued well-being of the Group. Implementation of the ESOS will enable the Company to give recognition to the contributions made by such Group Employees. At the same time, it will give such Group Employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:
- (a) to motivate each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (b) to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Group;
 - (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Company;
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
 - (e) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY

- 4.1 Confirmed Group Employees (including Executive Director) and Non-Executive Directors (including Independent Director) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the ESOS at the absolute discretion of the Committee.
- 4.2 Controlling Shareholders and their Associates who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the ESOS, provided that (a) the participation of, and (b) the terms of any Options to be granted and the actual number of Options to be granted under the ESOS, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholder or his Associate any Options (including the rationale for any discount to the market price, if so proposed).

Such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to his participation in this ESOS and the grant of Options to him.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- 4.3 For the purposes of determining eligibility to participate in the ESOS, the secondment of a confirmed Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.
- 4.5 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the ESOS may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

- 5.1 Subject to Rule 4, Rule 5.2, Rule 5.3 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the ESOS shall be determined by the Committee, in their absolute discretion, who shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential development of the Participant.
- 5.2 The aggregate number of Shares issued and issuable in respect of all Options granted under the ESOS available to the Controlling Shareholders or Associates of the Controlling Shareholders shall not exceed 25% of the total number of Shares available under the ESOS.
- 5.3 The number of Shares issued and issuable in respect of all Options granted under the ESOS available to each Controlling Shareholder or Associate of a Controlling Shareholder under the ESOS shall not exceed 10% of the total number of Shares available under the ESOS.

6. LIMITATION ON SIZE OF THE ESOS

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the ESOS; and (b) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the number of issued Shares (including treasury shares, as defined in the Companies Act) on the day immediately preceding the Offer Date of the Option.

7. OFFER DATE

The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the ESOS is in force, except that no Option shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

An offer to grant the Option to a Grantee shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule A, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the acceptance form (“**Acceptance Form**”) in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the ESOS in accordance with these Rules.

The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.

If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8.1, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

- 8.2 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or exercise notice (“**Exercise Notice**”) in or substantially in the form set out in Schedule C given pursuant to Rule 12 which does not strictly comply with the terms of the ESOS.
- 8.3 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.
- 8.4 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.5 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- (d) the Grantee being a Group Employee ceases to be in the employment of the Group or (being a Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company and/or its Subsidiaries, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee or Director;
- (c) the contribution of the eligible Group Employee or Director to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

9.3 In the event that the Company is no longer listed on Catalist or any other relevant stock exchange or trading in the Shares on Catalist or such stock exchange is suspended for any reason for fourteen (14) days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made:

- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

10.3 The issue of securities as consideration for an acquisition of any assets by the Company, or the cancellation of issued Shares purchased or acquired by the Company by way of market purchase of such Shares undertaken by the Company on Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10, unless the Committee considers an adjustment to be appropriate, having due regard to the interests of Shareholders and Participants.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever;
 - (b) upon the bankruptcy of the Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4 If a Participant ceases to be employed by the Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after a normal retirement age; or
 - (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

11.5 If a Participant ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C ("**Exercise Notice**"), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the abovementioned Notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary; and
- (b) compliance with the Rules, the Act and the Memorandum of Association of the Company, the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- 12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply for the listing and quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.
- 12.5 Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS TO THE ESOS

- 13.1 Any or all the provisions of the ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) of the total number of Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the ESOS shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the Sponsor or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Sponsor) amend or alter the ESOS in any way to the extent necessary to cause the ESOS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body.
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

14. DURATION OF THE ESOS

- 14.1 The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the ESOS is adopted by the Company in general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The ESOS may be terminated at any time by the Committee or by ordinary resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the ESOS is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the ESOS shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF THE COMPANY

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the Sponsor, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void.

Provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- 15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another corporation or corporations, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) shall notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, Provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.
- 15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the shares in respect of which the notice is given whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE ESOS

- 16.1 The ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the ESOS) as it may consider necessary, desirable or expedient for it to administer and give effect to the ESOS.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

16.3 Any decision of the Committee, made pursuant to any Rule of the ESOS (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Rules of the ESOS or any rule, regulation or procedure thereunder or as to any rights under the ESOS).

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The ESOS or any Option shall not form part of any contract of employment between the Company or any Subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the ESOS or any right which he may have to participate in it or any Option which he may hold and the ESOS or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The ESOS shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company or any Subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the ESOS shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE ESOS

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

20.2 Save for such costs and expenses expressly provided in the Rules to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the ESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

21. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to the constitutive documents of the Company or any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the ESOS, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on Catalist (or any other relevant stock exchange).

23. DISCLOSURE IN ANNUAL REPORT

The Company shall make the following disclosure in its annual report:

- (a) The names of the members of the Committee;
- (b) The information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular financial year):
 - (i) Participants who are Directors of the Company; and
 - (ii) Participants who are Controlling Shareholders of the Company and their associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the ESOS;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the ESOS to end of financial year under review	Aggregate Options exercised since commencement of the ESOS to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) In respect of Options granted to directors and employees of the parent company and its subsidiaries:
 - (i) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries under the scheme, during the financial year under review; and

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

- (ii) the aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the ESOS to the end of the financial year under review.
- (d) The number and proportion of Options granted at the following discounts to average market value of the Shares in the financial year under review:
 - (i) Options granted at up to 10% discount; and
 - (ii) Options granted at between 10% but not more than 20% discount.

Provided that if any of the above requirements is not applicable, an appropriate negative statement must be included.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the ESOS shall abstain from voting on any Shareholders' resolution relating to the ESOS.

25. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

26. GOVERNING LAW

The ESOS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the ESOS, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

Schedule A

FIGTREE EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Figtree Employee Share Option Scheme (the “**ESOS**”), you have been nominated to participate in the ESOS by the Committee (the “**Committee**”) appointed by the Board of Directors of Figtree Holdings Limited (the “**Company**”) to administer the ESOS. Terms as defined in the Rules of the ESOS shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ per Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the ESOS, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
Figtree Holdings Limited

Name:
Designation:

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

Schedule B

FIGTREE EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee

Figtree Employee Share Option Scheme
Figtree Holdings Limited
315 Outram Road
#13-10 Tan Boon Liat Building
Singapore 169074

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Exercise Price for each Share : S\$ _____

Total Amount Payable : S\$ _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and ESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ per Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

Note:

* Delete where inapplicable

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

Schedule C

FIGTREE EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

Total number of ordinary shares (" Shares ") offered at S\$ _____ per Share (" Exercise Price ") under the ESOS on _____ (Date of Grant)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: The Committee

Figtree Holdings Limited
315 Outram Road
#13-10 Tan Boon Liat Building
Singapore 169074

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Figtree Holdings Limited (the "**Company**") at S\$ _____ per Share.
2. I enclose a *cheque/cashiers order/banker's draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Figtree Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my *securities account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX E – RULES OF THE FIGTREE EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No : _____

*Direct Securities Account No. : _____

OR

*Sub Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete where inapplicable

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APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Placement Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for Placement Shares may only be made by way of the printed Placement Shares Application Form.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. **You are allowed to submit only one application in your own name for the Placement Shares.**

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company and the Manager, Sponsor and Placement Agent.

Joint and multiple applications for the Placement Shares shall be rejected. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company and the Manager, Sponsor and Placement Agent.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company and the Manager, Sponsor and Placement Agent reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or Application Form, or which is illegible, incomplete, incorrectly completed, or which is accompanied by an improperly drawn remittance or improper form of remittance or remittances which are not honoured upon the first presentation.**
10. **Our Company and the Manager, Sponsor and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
11. Our Company and the Manager, Sponsor and Placement Agent reserve the right to reject or to accept, in whole or in part, or to scale down any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision with regards hereto will be entertained. In deciding the basis of allotment which shall be at the discretion of our Company, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
12. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Manager, Sponsor and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounce, any instrument of transfer and/or other documents required for the issue of the Placement Shares allotted to you.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

13. In the event that we lodge a supplementary or replacement Offer Document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued, we will (as required by law), and subject to the SFA, at our sole and absolute discretion:

- (a) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
- (b) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
- (c) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom.

Any applicant who wishes to exercise his option under paragraph (a) or (b) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against our Company and the Manager, Sponsor and Placement Agent.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued but trading has not commenced, we will (as required by law), and subject to the SFA:

- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
- (ii) within seven days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to our Company the Placement Shares which they do not wish to retain title in; or

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (iii) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void and within seven days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid in respect of any application, without interest or a share of revenue or other benefit arising therefrom.

An applicant who wishes to exercise his option under paragraph (i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to our Company, whereupon our Company shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against our Company and the Manager, Sponsor and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

- 14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Manager, Sponsor and the Placement Agent and, any other parties so authorised by the foregoing persons.
- 15. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agent(s).
- 16. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case, subject to the terms and conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company;
 - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Manager, Sponsor and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you; and
 - (d) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company and the Manager, Sponsor and Placement Agent will infringe any such laws as a result of the acceptance of your application.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

17. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Manager, Sponsor and Placement Agent being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares and the Placement Shares on Catalist;
 - (b) the Management Agreement and the Placement Agreement referred to in the section “General and Statutory Information – Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (c) the Authority or other competent authority has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allotted.
18. In the event that a Stop Order in respect of the Placement Shares is served by the Authority or other competent authority, and
- (a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
 - (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares.
- Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claims against our Company and the Manager, Sponsor and Placement Agent.
- This shall not apply where only an interim Stop Order has been served.
19. In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority or other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.
20. The Authority or other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed on a securities exchange and trading in the Placement Shares has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through a paid advertisement in a local newspaper.
22. We will not hold any application in reserve.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

23. We will not allot Shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
24. Additional terms and conditions for applications by way of Application Form are set out on pages F-6 to F-9 of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the section entitled “Terms, Conditions and Procedures For Applications and Acceptance” of this Offer Document as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Placement Shares must be made using the **BLUE** Application Form accompanying and forming part of this Offer Document. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company and the Manager, Sponsor and Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document, or Application Form which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances which are not honoured upon their first presentation.**

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full names as they appear in your identity cards (if you have such identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company and the Manager, Sponsor and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

5. (a) You must complete Sections A and B and sign on page 1 of the Application Form.

(b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.
7. The completed and signed **BLUE** Placement Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898**, to arrive by **12.00 noon on 7 November 2013 or such other time as our Company may, in consultation with the Manager, Sponsor and Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of **"FIGTREE HOLDINGS SHARE ISSUE ACCOUNT"** crossed **"A/C PAYEE ONLY"**, with your name, CDP Securities Account Number and address written clearly on the reverse side. **APPLICATIONS NOT ACCOMPANIED BY ANY PAYMENT OR ACCOMPANIED BY ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED.** We will reject remittances bearing **"NOT TRANSFERABLE"** or **"NON TRANSFERABLE"** crossings. No acknowledgement or receipt will be issued by us or the Manager, Sponsor and Placement Agent for applications and application monies or remittance received.
8. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

of the Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five Market Days from the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a Stop Order by the Authority or the SGX-ST (acting as agent on behalf of the Authority), the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days from the date of the Stop Order.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Manager, Sponsor and Placement Agent and/or any other party involved in the Placement, and if, in such event our Company and/or the Manager, Sponsor and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, the Manager, Sponsor and Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 7 November 2013 or such other time or date as our Directors may, in consultation with the Manager, Sponsor and Placement Agent, decide and by completing and delivering the Application Form, you agree that:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, the Manager, Sponsor and Placement Agent nor any other party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

APPENDIX F – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCE

- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Manager, Sponsor and Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;
- (g) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Manager, Sponsor and Placement Agent or other authorised operators; and
- (h) you irrevocably agree and undertake to subscribe for the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot any lesser number of Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

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