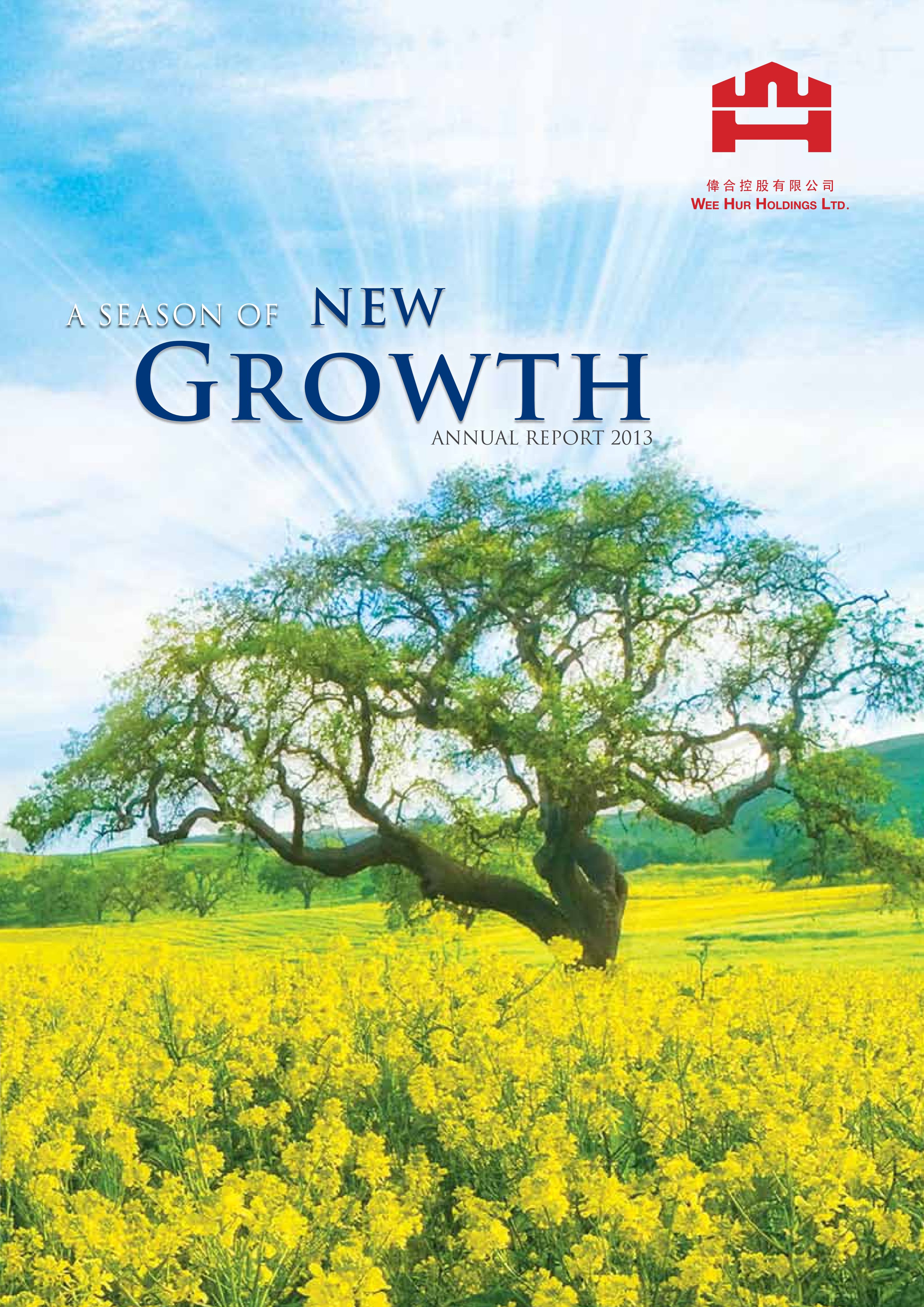
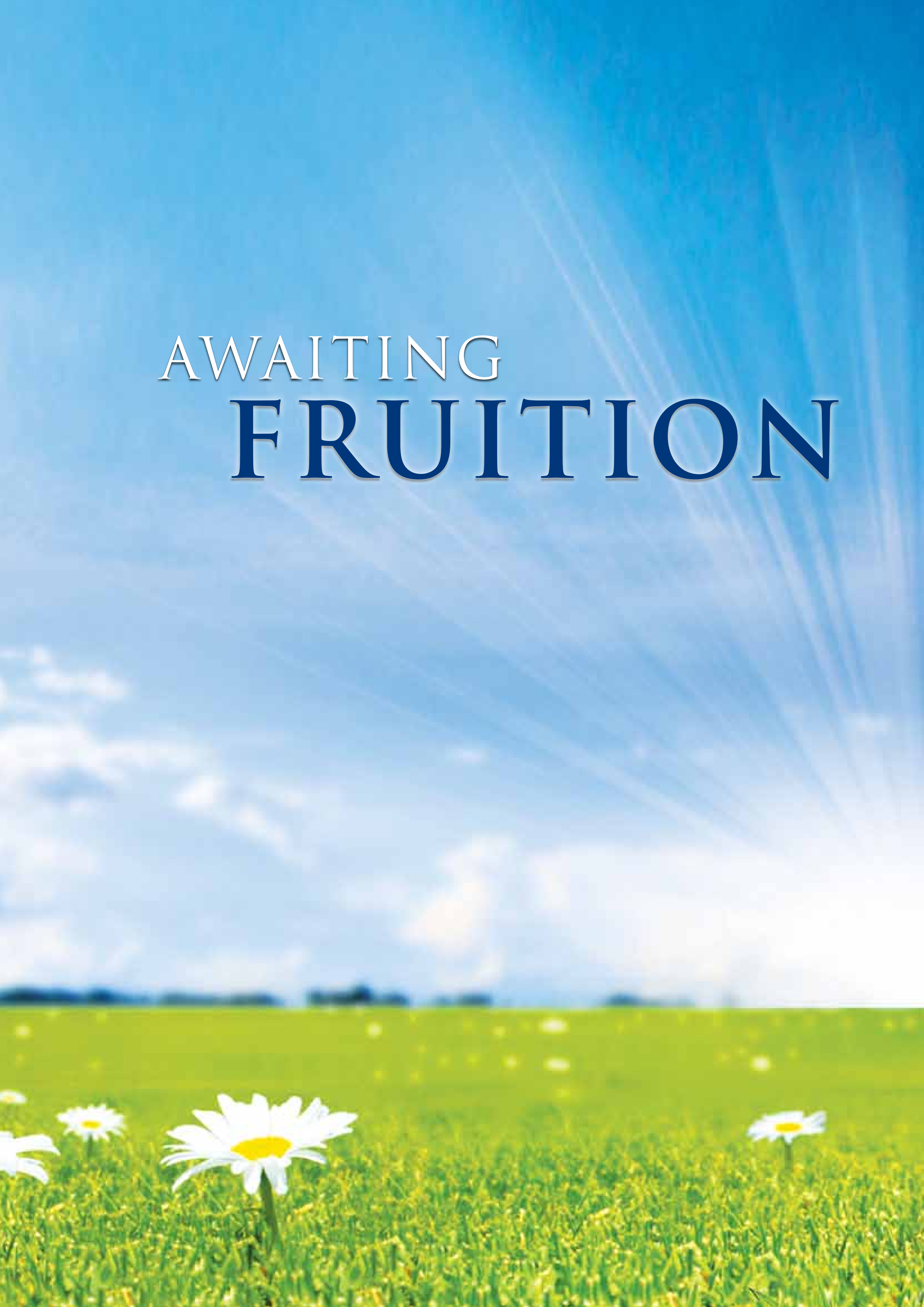
偉合控股有限公司
WEE HUR HOLDINGS LTD.

A SEASON OF NEW GROWTH

ANNUAL REPORT 2013





AWAITING FRUITION

Wee Hur has been listed in Forbes Asia's 200 Best under a Billion for 2013. It is one of the few companies from Singapore to be included in this esteemed list. This accolade serves as a testament to our strong growth and financial performance through the years.

Our growth is evident. Over the past few years, we have successfully transformed ourselves into an integrated property developer and contractor providing comprehensive development and construction capabilities. We have also ventured into dormitory development and operations.

In the property development segment, we have strengthened our presence in the property development market and increased the revenue contribution from our property development business. Our experience and reputed track record as a main contractor enable us to capitalise on the strong construction demand in Singapore over the next few years to have a constant flow of activity and to ensure a steady income stream. The increasing need for self-contained workers' dormitory in Singapore will also present us opportunities to grow our dormitory business.

Drawing on our firm foundation, we continue to embark on a bigger platform, expanding our horizons and planting the seeds for more seasons of growth.

Contents

OUR VISION

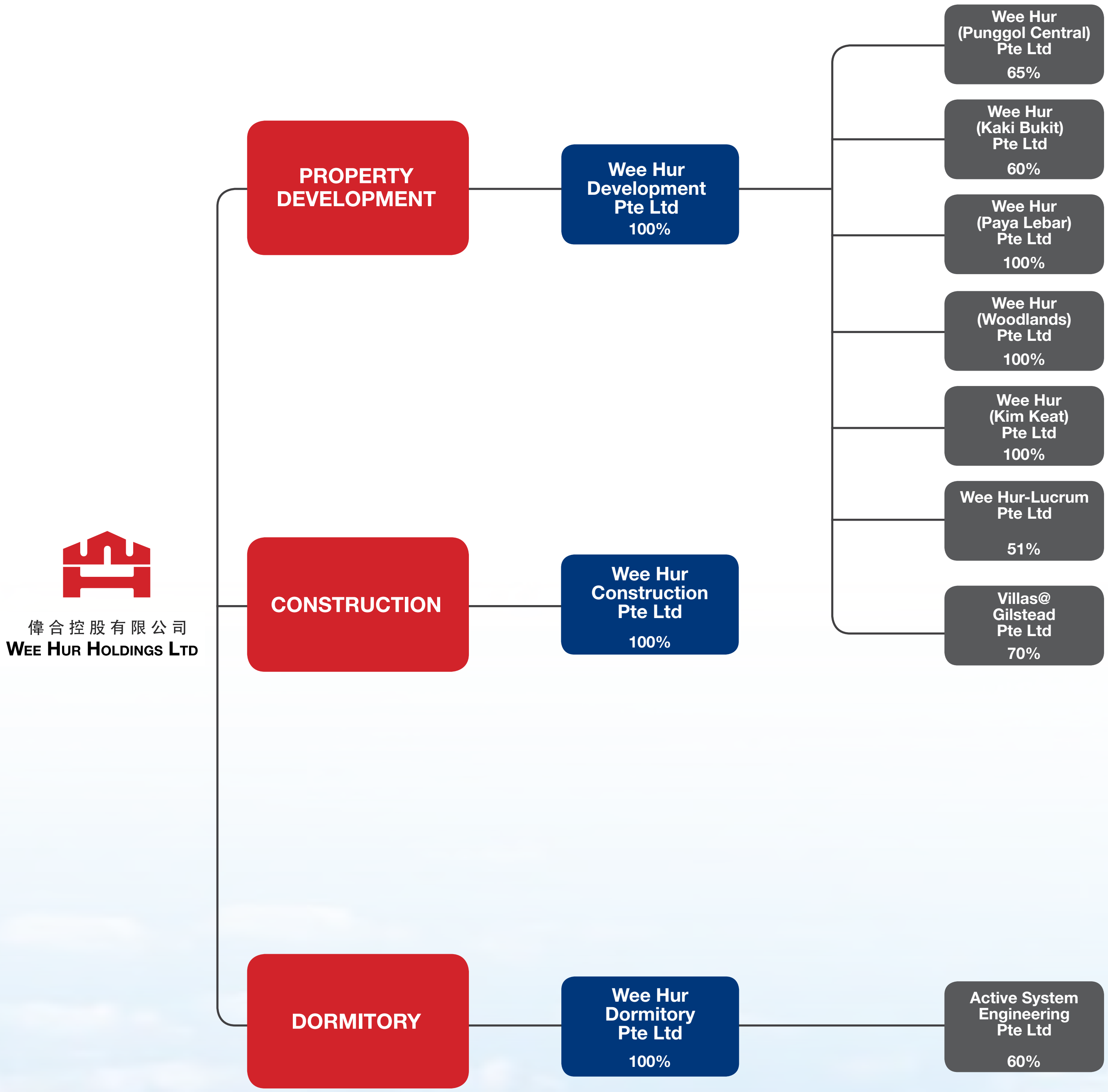
Being one of the leading providers of reliable and quality construction services and to enlarge our presence in the property development market in Singapore and beyond.

OUR MISSION

"Prudence in our ways;
Excellence is our aim."

步步為營
精益求精

Corporate Structure



Our Business


Property Development Business

The property development business of the Group is being undertaken by Wee Hur Development Pte. Ltd., the Group's wholly-owned subsidiary.

We acquire vacant lands or existing properties which have re-development potentials and develop these land parcels into either residential, industrial, commercial or mixed development in accordance to the approved use of these land parcels by the relevant authorities. The developments may comprise strata titled units which can be sold individually or be held as investment properties for recurring income.

Each development project may be undertaken by a separate entity which can be wholly-owned or substantially owned by Wee Hur Development Pte. Ltd. as a subsidiary of the Group or as an associate company of the Group.

Construction Business

The construction business is being undertaken by the Group's wholly-owned subsidiary, Wee Hur Construction Pte Ltd ("WHC") which was established since 1980.

WHC is a BCA registered contractor with financial grade A1 which allows it to tender for all public projects with unlimited contract value.

We undertake various types of construction projects from both private and public sectors. Construction projects include residential, commercial, industrial, institutional, religious, restoration and conservation projects.

Besides new constructions, we also undertake projects involving additions and alterations or refurbishment and upgrading to existing buildings and restoration and conservation of heritage and conservation buildings.

Dormitory Business

Wee Hur Dormitory Pte. Ltd., the Group's wholly-owned subsidiary undertakes our dormitory business.

Our dormitory business provides conducive living environment for foreign workers from construction, marine, process and manufacturing industries.

We may acquire/lease lands which have been approved for dormitory from Government or private sector and develop the land parcel into a dormitory complex which may include commercial and non-commercial amenities such as indoor recreational/multi-purpose room, indoor gymnasium, TV rooms, reading rooms, canteens, minimarts, retail shops, outdoor game courts and etc.

Awards & Accolades

Wee Hur was selected to be among **Forbes Asia's 200 Best under a Billion** for 2013. We made it into this prestigious list, among just a few other companies from Singapore. These 200 companies were selected among thousands from Asia Pacific. This accolade serves as a testament to our strong growth and financial performance through the years.

Besides, we were selected to be among Top 100 Singapore Brands in 2013 ranking by Brand Finance.

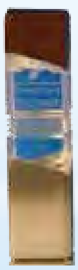
Forbes Asia's 200 Best under a Billion 2013

Our landmark condominium, **Parc Centros**, was awarded the **Green Mark GoldPlus Award** by the Building and Construction Authority. The BCA Green Mark Scheme was launched in January 2005 as an initiative to drive Singapore's construction industry towards more environment-friendly buildings. It is intended to promote sustainability in the built environment and raise environmental awareness among developers, designers and builders when they start project conceptualisation and design, as well as during construction.

BCA GREEN MARK

Our construction arm had also garnered several prestigious awards and accolades from local government agencies:

- We received four awards for **Construction Excellence** and one award for **Certificate of Merit** from the Building and Construction Authority. These awards are testimony to our high standard of workmanship, project management and technical input in completed projects.
- We received three **Architectural Heritage Awards** conferred by Urban Redevelopment Authority in recognition of our outstanding performance in carrying out restoration and conservations projects.
- We were ranked amongst the **Enterprise 50** list which represents the cream of Singapore entrepreneurship for five consecutive years. We were bestowed the honour of **Enterprise 50 Five Years Award** for winning the **Enterprise 50** for 5 times in a row.



Building and Construction Authority (BCA) Construction Excellence Award

Urban Redevelopment Authority (URA) Architectural Heritage Award

Enterprise 50 Awards

Chairman's Message

"2013 marks the year we expanded our business beyond property development and construction. We are presently developing a large workers' dormitory complex. This is a significant milestone we have laid in our path of business expansion."

Dear Shareholders,

2013 marks the year Wee Hur expanded its business beyond property development and construction. We set up a 60% stake joint venture which is presently developing **Tuas View Dormitory**, a large workers' dormitory complex located at Tuas South Avenue 1. This is a significant milestone the management has laid in our path to expand our business to encompass more revenue streams. In the year, Wee Hur was selected to be among **Forbes Asia's 200 Best under a Billion**, another significant milestone attained in 2013.

Financial Performance

The figures of our financial performance such as revenue, gross profit and net profit for the reporting year ended 31 December 2013 ("FY2013") were largely lower than those for FY2012. This is because we had an extraordinary bountiful year in FY2012 when we fully recognised our revenue and profit from the industrial property, **Harvest@Woodlands**, in FY2012 based on the completed contract method in accordance to Interpretation of Financial Reporting Standard 115 ("INT FRS 115") and Financial Reporting Standard 18 ("FRS 18").

Business Update

Our two residential development projects, **Urban Residences** and **Parc Centros** are both fully sold to date. Revenue from these residential projects will be recognised progressively. Our second industrial development project, **Premier@Kaki Bukit**, is almost fully sold to date. As in the case of Harvest@Woodlands, the revenue of this industrial development will only be recognised upon receiving Temporary Occupation Permit of which we expect to receive in FY2014. This implies that our revenue for FY2014 is likely to experience a spike, as in the case of FY2012.

I have shared last year that we were awarded a tender for a collective purchase of Thomson View Condominium. However, following objections from a few owners, the High Court of Singapore has nullified the en bloc sales in September 2013. We have sought legal advice and decided not to proceed with the matter. Both the deposit and stamp duty paid for the awarded tender were fully refunded subsequently.

On our construction business, we were awarded in April 2013 a $13.2 million contract for the design, construction, completion and maintenance of the 6-storey DBS Asia Hub (Phase 2) at Changi Business Park. Just as we crossed into 2014, we secured a $103.6 million public housing building project from the Housing & Development Board ("HDB") and a $65.4 million project for the construction of Tuas View Dormitory. With these projects, we strengthened our construction order book to an estimate of **$400.2 million** as at 4 March 2014. The outstanding projects in our strong order book, comprising commercial, residential, industrial and public projects, will provide us with continuous construction activities through FY2017.

I am particularly pleased to share with shareholders that we have commenced the construction of **Tuas View Dormitory**, the mega workers' dormitory complex at Tuas South Avenue 1. Construction of this dormitory is expected to complete in 2H2014. At a capacity of 16,800 beds, this proposed workers' dormitory will be one of the largest workers' dormitory in Singapore.

Sharing Our Fruits

We are proposing a Final Dividend of 1 cent per ordinary share. Adding the Interim Dividend of 1 cent per ordinary share paid in August 2013, the total dividends for FY2013 will amount to 2 cents per ordinary share, representing a generous dividend payout ratio of about 91%.

Strong Financial Position

In FY2013, 184,009,398 warrants were exercised at the price of $0.25 per warrant, raising approximately $46.0 million.

Apart from the proceeds in the conversion of warrants, our strong net cash from operating activities also contributed to our strong cash position. We ended FY2013 with a strong cash and bank balances of **$243.4 million**, positioning us well to take advantage of any business expansion opportunities.

Gaining Recognition

I am happy to report that in 2013 we have won some awards and accolades.

Most noteworthy, Wee Hur was selected to be among **Forbes Asia's 200 Best under a Billion** for 2013. We made it into this prestigious list, among just a few other companies from Singapore. These 200 companies were selected among thousands from Asia Pacific. This accolade is a testimony of the growth and financial performance Wee Hur has achieved over the past few years.

Besides, we were selected to be among Top 100 Singapore Brands in a ranking by Brand Finance. Our brand value and ranking position have both improved when compared to 2012, reflecting the consistent progress we have made.

We also won our first award for our property development business. In February 2014, our landmark condominium project, **Parc Centros**, was awarded the **Green Mark GoldPlus Award** by the Building and Construction Authority. We have incorporated several green features in the design such as energy and water saving systems, lighting power management, rainwater collection for irrigation, water-saving sanitary fittings, use of air conditioning with environmental ratings, and north-south building orientation layout to optimize cross ventilation of condominium.

Repaying to Society

Apart from working towards better financial performance and greater recognition of our brand, we are mindful of our corporate and social responsibility and keenly aware of being a responsible business entity which is closely connected within the community we operate in. We are committed in ensuring safety to our workers and our community, our workers' welfare, the respect for the environment and fair business practices with our vendors and clients. The winning of the Green Mark GoldPlus Award is a testimony of our commitment in taking care of our environment.

In the same light, we are motivated to give back to the society to foster goodwill and supports betterment of the lives of the community around us. We made several donations to schools and polytechnics for their education fund and bursary for needy students. We also donated to several charity organisations such as Disabled People's Association, Kidney Dialysis Foundation, Singapore Thong Chai Medical Institution, SASCO Senior Citizen's Home and Sengkang West CCC Community Development and Welfare Fund. We also supported and donated to charity events such as the Ren Ci Charity Golf, APSN Charity Golf and UOB Heartbeat Run/Walk 2013.

Looking Ahead

The several rounds of property market cooling measures have brought and are expected to continue to bring some adverse impact on the volume of property sales and price of property as a whole. Notwithstanding, these cooling measures have little impact on our current property development projects as our projects are almost fully sold.

The adverse effect from the cooling measures, together with more development projects expected to complete soon and a potential rise in interest rate, will potentially make the local property market more challenging. In this light, we will exercise greater prudence in acquiring land for development locally. We also intend to seek opportunities beyond Singapore as well as opportunities in property investment for recurring income.

The Building and Construction Authority projected contracts for the built environment industry could reach between $31 billion and $38 billion for 2014, auguring well for our construction business.

Our new dormitory business will open a sizeable new recurring revenue stream for us. We are cautiously optimistic of achieving high occupancy for the dormitory upon its completion as there is now a shortage for such fully-equipped workers' dormitory.

Appreciation

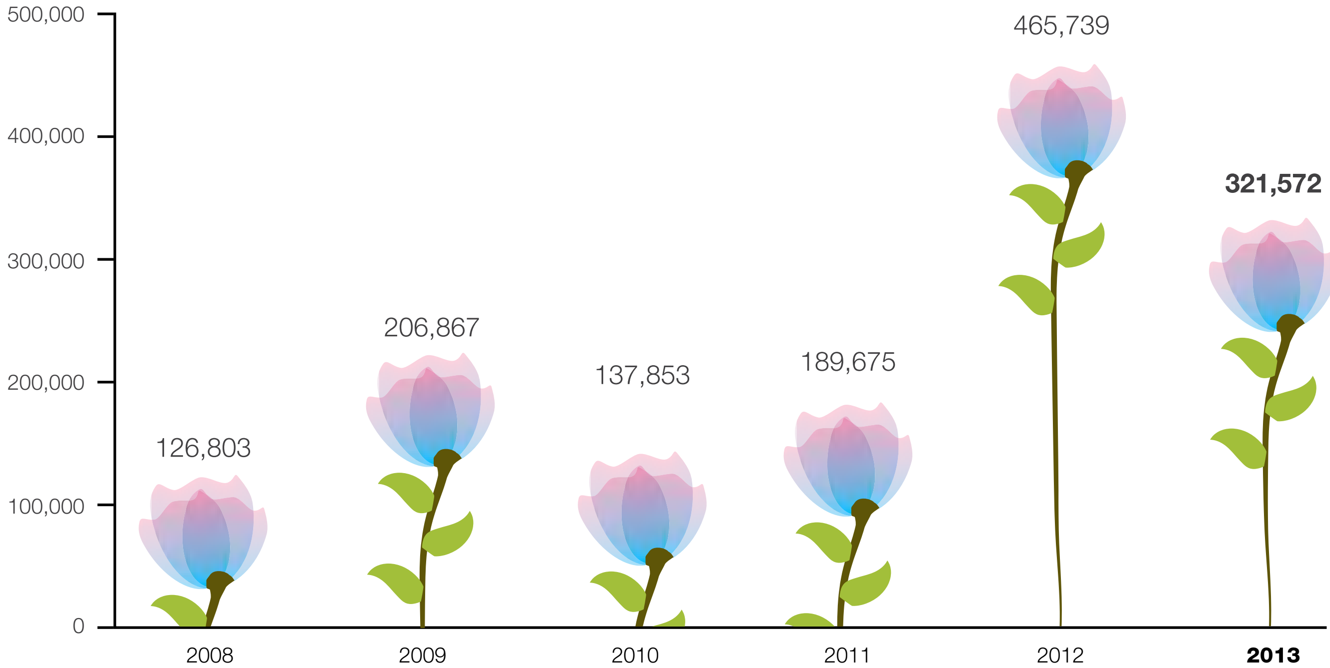
Our success in delivering our service to satisfied clients would not be possible without the contribution from our business associates, consultants, sub-contractors and suppliers. Likewise, our progress in expanding our business would not be possible without the guidance from the Board and the hard work from the managers and staff. I would like to thank all of them.

We have transformed from a builder to an integrated property developer and contractor, and now we have diversified to engage in dormitory business. Together, let us work towards another season of growth in 2014.

Goh Yeow Lian
Executive Chairman and Managing Director

Financial Highlights

REVENUE ($'000)



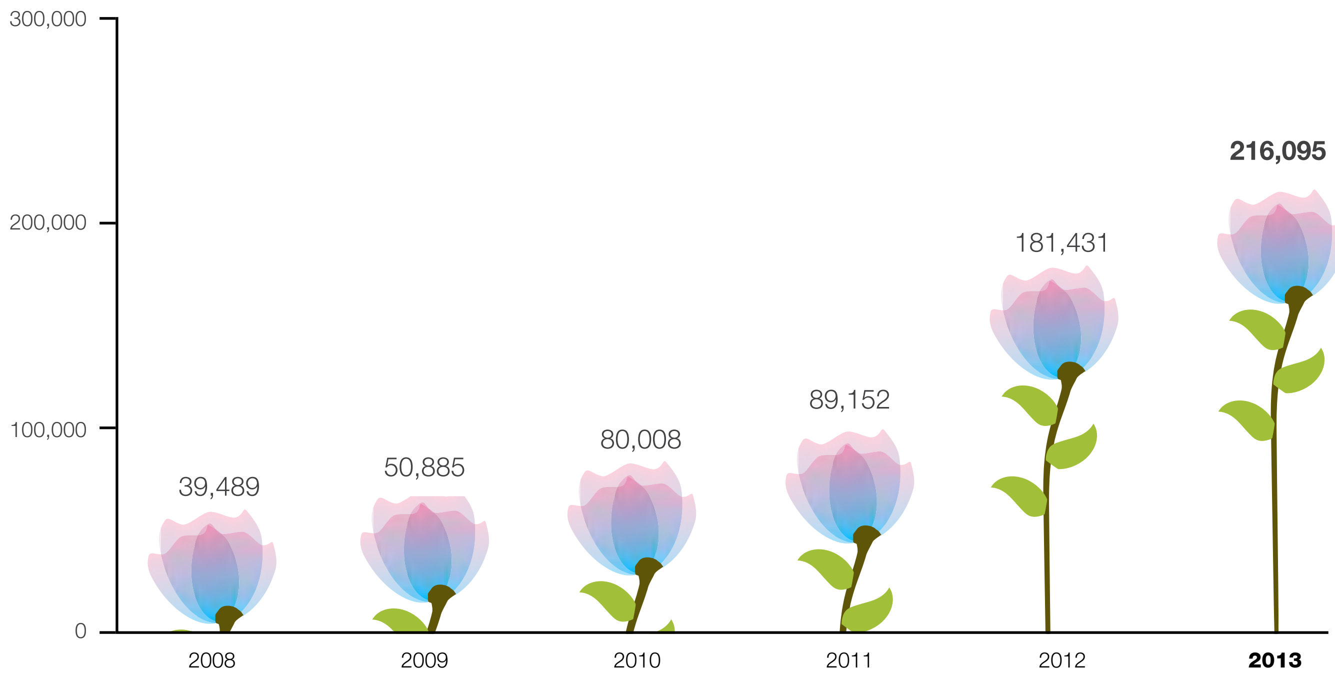
Profit or Loss and Other Comprehensive Income Highlights

	FY 2008	FY 2009	FY 2010 Restated*	FY 2011	FY 2012	**FY 2013**
Revenue ($'000)	126,803	206,867	137,853	189,675	465,739	321,572
Gross Profit ($'000)	15,389	28,882	24,714	26,094	144,256	48,406
Profit Before Tax ($'000)	9,589	20,017	16,121	12,260	111,290	30,496
Net Profit Attributable to Equity Holders ($'000)	8,017	16,334	13,100	11,109	95,660	20,086
Net Profit Margin	6.3%	7.9%	9.5%	5.9%	20.5%	6.2%
Dividend Payout ($'000)	6,420	8,645	10,220	13,266	34,360	18,300^
Dividend Payout Ratio	80.0%	52.9%	78.0%	119.4%	35.9%	91.1%^
Earnings Per Share** (cents)	2.50	5.09	3.34	1.72	13.15	2.20

* The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 - Agreements for the Construction of Real Estate and under recognition of costs pertaining to fair value adjustment

** Earnings per share is calculated based on number of shares in issue at the end of the reporting year. There are 911,256,560 shares for FY2013. The number of shares in FY2008, FY2009, FY2010, FY2011 and FY2012 were 321,039,000, 321,040,500, 392,052,850, 645,523,525 and 727,247,162 respectively

TOTAL EQUITY ($'000)



Statements of Financial Position Highlights

	FY 2008	FY 2009	FY 2010 Restated*	FY 2011	FY 2012	**FY 2013**
Property, Plant and Equipment ($'000)	3,016	3,777	5,339	10,363	15,016	14,004
Trade and Other Receivables ($'000)	38,248	63,439	50,732	42,153	62,535	35,603
Cash and Cash Equivalents ($'000)	24,999	31,376	62,954	115,994	200,982	243,429
Trade and Other Payables ($'000)	36,260	52,560	61,609	83,903	154,671	125,320
Net Current Assets ($'000)	35,626	46,648	83,559	90,135	283,540	290,304
Total Equity^^ ($'000)	39,489	50,885	80,008	89,152	181,431	216,095

^ Included final dividend with estimated amount and percentage calculated based on 919,245,086 shares (excluding treasury shares) in issue as at 28 March 2014

^^ Included non-controlling interests

Operations and Financial Review

Property Development

On-going Development Projects

- **Urban Residences** – This 47-unit boutique residential project at 10, Lorong Ah Soo, was launched in 1Q2011 and was fully sold as at 31 December 2013. Urban Residences is within walking distance to the NEX shopping mall and Serangoon MRT station, and is a stone's throw away from well-known schools like Saint Gabriel's Secondary School and Paya Lebar Methodist Girls' School. The construction of Urban Residences commenced in May 2012 and the project is expected to obtain its Temporary Occupation Permit ("TOP") in June 2014.

- **Premier@Kaki Bukit** – Housing a total of 482 units, this massive industrial property development launched in 2Q2011 was more than 95% sold as at 31 December 2013. Developed on a bigger scale compared to Harvest@Woodlands, Premier@Kaki Bukit will comprise two blocks, one of which will be an 8-storey ramp-up factory while the other a 9-storey flatted factory. This property is developed via a joint venture ("JV") with Wee Hur holding a 60% stake. This project is expected to obtain its TOP no later than 31 December 2014.

- **Parc Centros** – Launched to overwhelming response in 3Q2012, 99-year leasehold Parc Centros is located adjacent to Punggol Town's transport hub comprising Punggol MRT station, LRT station and bus interchange, and is surrounded by other amenities such as schools and a future shopping mall. The fully-sold 618-unit Parc Centros is the Group's largest residential development project to date. This property is developed via a JV with Wee Hur holding a 65% stake. The construction of Parc Centros commenced in January 2013 and the project is expected to obtain its TOP no later than 18 December 2016.

Land Acquisitions Update

- In September 2012, the Group was successfully awarded a tender for a collective purchase of Thomson View Condominium ("Thomson View"). However, following objections from a few owners; the High Court of Singapore has nullified the en bloc sales of Thomson View in a written judgement released on 3 September 2013. The Group has sought legal advice and has decided not to proceed with the matter. A notice of rescission of the sales contract has been served and a full refund of the deposit paid is sought. A full refund of the stamp duty paid has also been applied to the Inland Revenue Authority of Singapore ("IRAS"). As to date, the deposit and stamp duty have been fully refunded.

Construction Business

The Group currently has on-going projects worth approximately $400.2 million in its order book as at 4 March 2014 with completion dates ranging between FY2014 and FY2017.

Projects Completed in 2013 and 1Q2014

- **Boon Lay Grove** – A $64.9 million (original contract sum) public housing building works project which includes the construction of four residential blocks, a multi-storey car park with green roof, an electrical sub-station block, minor sewer services and services roads, driveways and drains.

- **Nexus@One-North (Business Park Buildings@ Fusionopolis)** – A $57.0 million (original contract sum) design & build project of a business park and office mixed use development comprising two buildings and one common basement carpark.

- **Four Acres Singapore (Nepal Hill)** – A $26.2 million (original contract sum) design & build project of a 3-storey training block with a lower ground level and outdoor carpark, a single-storey club house block with a rooftop recreation deck and 10 black and white conservation bungalows, each with an outhouse structure.

- **Standard Chartered@Changi Business Park (Phase 2)** – A $35.4 million (original contract sum) design & build project of a 6-storey office building with a basement carpark at Changi Business Park.

- **HDB LUP project** – A $47.9 million (original contract sum) project under the Housing and Development Board ("HDB") Lift Upgrading Projects ("LUP") for G5B (Stage 2) is for the construction of new lift shafts and upgrade of existing lift shafts and lift lobbies to existing HDB blocks in estates such as Tampines, Telok Blangah, Marine Parade, Ubi Avenue and Everton Park.

Our construction order book stood at approximately $400.2 million as at 4 March 2014, comprising commercial, residential, industrial and public projects. The strong order book will provide us with continuous construction activities through FY2017.

Development Schedule Summary

Properties Under Development

Project	Interest Attributable	Expected TOP	GFA (sqm)	Type
Urban Residences	100%	June 2014	3,566	Residential
Premier@Kaki Bukit	60%	December 2014	74,943	Industrial
Parc Centros	65%	December 2016	54,058	Residential
Total			**132,567**	

New Projects Secured

- **DBS Asia Hub (Phase 2)** (secured in April 2013) – A $13.2 million contract for the design, construction, completion and maintenance of the 6-storey DBS Asia Hub (Phase 2) at Changi Business Park. This project is expected to complete by 2015.

- **Fernvale Riverwalk** (secured in January 2014) – A $103.6 million HDB project which involves the construction of four residential blocks comprising 727 units and a multi-storey car park at Sengkang Neighbourhood 4. This precinct will come with shops, eating house, supermarket, childcare centre and other communal facilities. Other construction works within the contract includes the construction of green roof on the car park block, linkways, service roads, external landscaping and minor sewers and roadside drains. This project commenced in February 2014 and is expected to complete in approximately 3 years.

- **Tuas View Dormitory** (secured in March 2014) – A $65.4 million contract to build the 16,800-bed mega workers' dormitory complex at Tuas South Avenue 1. This dormitory will be designed as a self-contained living quarters equipped with common toilets, designated cooking and food preparation area, laundry area and common dining cum interacting area. Catering to the need for rest and recreation, there will also be an indoor recreational/multi-purpose room, reading rooms and TV rooms as well as two indoor gymnasiums and at least two outdoor game courts. Besides, there will also be commercial amenities such as minimarts, a canteen and other retail shops to provide greater convenience to the occupants. Construction of this dormitory is expected to complete in 2H2014.

Other On-going Projects

- **Urban Residences** – A $12.5 million construction contract for the Group's own residential property development. The project consists of a 47-unit 5-storey private apartment with attic, basement car park and communal facilities. The project is expected to complete in 1H2014.

- **Premier@Kaki Bukit** – This $89.5 million contract is for the construction of the Group's own industrial property development. Housing a total of 482 units, the project will comprise two blocks, one of which will be an 8-storey ramp-up factory while the other a 9-storey flatted factory. The project is expected to complete in 2014.

- **Fernvale Riverbow** – A $159.3 million public housing building works project which includes the construction of eight residential blocks, a basement car park and communal facilities such as pavilions, playgrounds, fitness stations and multi-purpose courts. The project is expected to complete in 2H2014.

- **Vista Spring@Yishun** – A $109.0 million (original contract sum) public housing building works project which includes the construction of eight residential blocks, an electrical sub-station, a multi-storey car park, minor sewer services and landscaping works. The project is expected to complete in 2014.

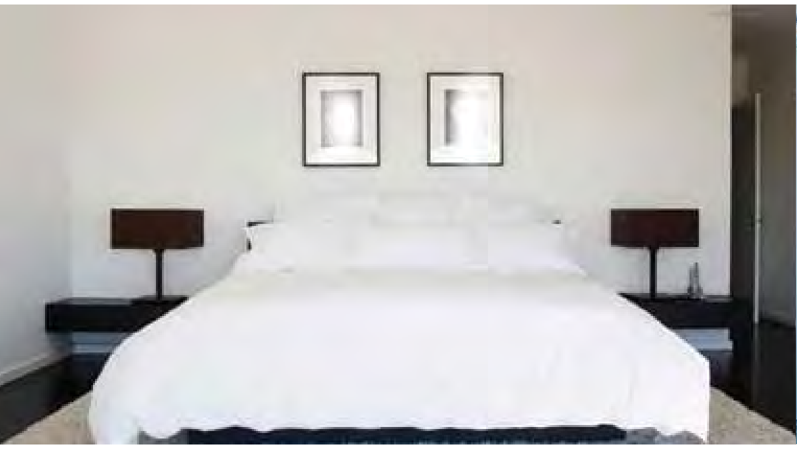
- **Parc Centros** – This $150.0 million construction contract for the Group's own residential property development was awarded in December 2012. The 618-unit condominium project consists of eight blocks of 16-storey buildings with full communal facilities. This project is expected to complete in December 2016.

Dormitory Business

In October 2013, the Group set up a wholly-owned subsidiary, Wee Hur Dormitory Pte. Ltd., to hold a 60% stake in a JV company, Active System Engineering Pte. Ltd. ("Active System"). Active System has been awarded by JTC to build and operate a 16,800-bed workers' dormitory at Tuas South Avenue 1 to cater to foreign workers in the marine, manufacturing and process industries. Construction of this dormitory, named Tuas View Dormitory, has commenced and is expected to complete in 2H2014.

Operations and Financial Review

Financial Review



Review of the Financial Performance

The Group's Revenue and Profit Attributable to Shareholders for the reporting year ended 31 December 2013 ("FY2013") decreased year-on-year ("yoy") compared to those in FY2012 due to the higher bases. In FY2012, the revenue and profit for the industrial development property, Harvest@Woodlands, were fully recognised based on the completed contract method after the development received its Temporary Occupation Permit ("TOP") in October 2012, in accordance to the Interpretation of Financial Reporting Standard 115 ("INT FRS 115") and Financial Reporting Standard 18 ("FRS 18").

Revenue

The Group registered $321.6 million of Revenue for FY2013 compared with $465.7 million for FY2012, a decrease of approximately $144.2 million or 31.0%.

Marketing and Distribution Costs

FY2013 Marketing and Distribution Costs decreased $9.0 million mainly due to the front-loaded marketing expenses incurred for residential property development, Parc Centros and industrial property development, Premier@Kaki Bukit in FY2012.

Administrative Expenses

FY2013 Administrative Expenses decreased $6.1 million mainly due to lower staff costs as well as lower depreciation charges for the new and existing plant and equipment.

Profit Attributable to Shareholders

As a result of the above, FY2013 Profit Attributable to Shareholders decreased 79.0% yoy to $20.1 million.

Review of Financial Position

Non-Current Assets

Non-Current Assets as at 31 December 2013 was $3.2 million lower than that as at end-FY2012 mainly due to the decrease in Net Book Value of Property, Plant and Equipment of approximately $1.0 million as well as the decrease in Deferred Tax Assets of approximately $2.2 million. Net Book Value of Property, Plant and Equipment decreased mainly as a result of depreciation charges.

Current Assets

Current Assets as at 31 December 2013 was $27.3 million higher than that as at end-FY2012 mainly due to higher Development Properties and Cash and Cash Equivalents. The increase in Development Properties is mainly attributable from additional costs incurred for Premier@Kaki Bukit development and commencement of work for Parc Centros development. The increase in Cash and Cash Equivalents is mainly due to additional progress billings in property development business.


Current Liabilities

Current Liabilities as at 31 December 2013 were $20.6 million higher than that as at end-FY2012 mainly due to higher Progress Billings Received and Receivables from the Group's industrial development project. The increase in Progress Billings Received and Receivables is mainly a direct result from additional progress billings for industrial development project.

Non-Current Liabilities

Non-Current Liabilities as at 31 December 2013 were $31.1 million lower compared to end-FY2012 as a result of partial repayments of existing bank loan facilities for residential developments.

Cash and Bank Balances

The Group maintains a strong financial position with Cash and Bank Balances of $243.4 million as at 31 December 2013, approximately $42.4 million higher than the balance of $201.0 million as at end-FY2012.

Share Capital Changes as a result of Conversion of Warrants

In FY2013, the Company issued 184,009,398 ordinary shares at $0.25 each to shareholders from the conversion of warrants issued into shares.

Subsequent to the reporting year, the Company has issued 7,988,526 ordinary shares at $0.25 each to shareholders arising from the conversion of warrants issued into shares.

Warrants 2014 issued on 23 February 2011 have expired on 21 February 2014 with 1,840,635 warrants lapsed for conversion.

As the Company did not purchase any treasury shares during the reporting year, outstanding treasury shares remained at 16,671,000 as at 31 December 2013.

Board of Directors

Goh Yeow Lian
Executive Chairman and Managing Director

Goh Yeow Lian is our Executive Chairman and Managing Director and one of the founders of our Group. He has played a pivotal role in the growth and development of our Group and is responsible in the formulation of our Group's strategic directions and expansion plans and managing our Group's overall business development. He graduated with a Diploma in Building from Singapore Polytechnic.

Goh Yew Tee
Executive Director and Deputy Managing Director

Goh Yew Tee is our Executive Director and Deputy Managing Director. In January 2009, he was appointed Managing Director of our wholly-owned subsidiary, Wee Hur Construction Pte Ltd. He is responsible for the overall operation of the construction arm. He graduated with a Diploma in Building from Singapore Polytechnic.

Goh Yeo Hwa
Executive Director

Goh Yeo Hwa is our Executive Director and one of our co-founders. He has more than 30 years of experience in the construction industry. He is involved in the site management and procurement of construction machinery, equipment and materials.

Teo Choon Kow @ William Teo

Lead Independent Director

William Teo was appointed as our Lead Independent Director on 14 December 2007. He is currently a consultant providing corporate advisory work and independent director of four other listed companies, namely See Hup Seng Limited, Loyz Energy Limited, China Bearing Ltd and PSL Holdings Limited. He is also a director of Ascendent Technology Pte Ltd, Victoria Minerals and Resources Pte Ltd and Fral Ballistic Pte Ltd. Prior to that, he was the vice-president of Walden International Investment Group from 1997 to 2004 where he was responsible for its investment function. From 1989 to 1997, he was a senior manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work. He is a fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants. He holds a Master in Management from Asian Institute of Management, Philippines.

Wong Kwan Seng Robert

Independent Director

Robert Wong was appointed as our Independent Director on 14 December 2007. He is a lawyer by profession and practises mainly corporate law with emphasis on corporate finance. He had acted as solicitor in initial public offers, rights issues, issue of debentures, takeovers, mergers and acquisition and joint ventures.

Goh Yew Gee

Non-Executive Director

Goh Yew Gee was appointed as our Non-Executive Director on 24 September 2007. He is currently the managing director of Multi-Zones Marketing Pte Ltd, a Singapore company engaged in chemical trading. He is also a director of Hexachem (M) Sdn Bhd and Hexachem (Vietnam) Ltd.

Key Management

Ewe Tuck Foong is the **Chief Financial Officer** of our Group. Since joining our Group in November 2011, he is given the responsibility for all aspects of financial and accounting matters of the Group. Apart from being the main liaison with the internal and external auditors, he is also involved in legal, corporate secretarial and all taxation matters within the Group. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Institute of Singapore Chartered Accountants.

Goh Cheng Huah is our **Director (Tender and Contract)** with effect from 1 April 2013. He is responsible for the overall tender and contract functions of Group's construction arm. His responsibilities include identifying and securing new projects and overseeing the execution of contract administration for secured projects. He joined our Group in 1989 and he was our Business Director prior to the current position. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore.

Koh Chong Kwang is our **Director (Project)**. He is responsible for the overall project management functions of Group's construction arm. His responsibilities include overseeing the execution of projects from commencement till completion including maintenance period. He has been with the Group since 1995. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore.

Gaw Chu Lan is our **Director (Administration and Finance)**. She is responsible for the overall administrative and finance functions of the Group. Her responsibilities include overseeing the finance, administrative and human resources matters. She has been with the Group since 1985. She received formal education up to pre-university level and attained a GCE "A" Level certification.

Sua Chen Shiua is our **Deputy Director (Tender and Contract)** with effect from 1 April 2013. He assists the Director (Tender and Contract) in the overall tender and contract functions. His responsibilities include tender submissions, manage and review project costs and budgets, procurement and award of contracts to sub-contractors. He holds a Degree of Bachelor of Science (Building) from National University of Singapore.

Corporate Information

Board of Directors
Goh Yeow Lian
(Executive Chairman and Managing Director)
Goh Yew Tee
(Executive Director and Deputy Managing Director)
Goh Yeo Hwa
(Executive Director)
Goh Yew Gee
(Non-Executive Director)
Teo Choon Kow @ William Teo
(Lead Independent Director)
Wong Kwan Seng Robert
(Independent Director)

Audit Committee
Teo Choon Kow @ William Teo
(Chairman)
Wong Kwan Seng Robert
Goh Yew Gee

Nominating Committee
Wong Kwan Seng Robert
(Chairman)
Teo Choon Kow @ William Teo
Goh Yew Gee

Remuneration Committee
Teo Choon Kow @ William Teo
(Chairman)
Wong Kwan Seng Robert
Goh Yew Gee

Company Secretaries
Tan Ching Chek, LLB, ACIS and Lo Swee Oi, ACIS
C/o BSL Corporate Services Pte Ltd
220 Orchard Road
#05-01 Midpoint Orchard
Singapore 238852

Registered Office
39 Kim Keat Road
Wee Hur Building
Singapore 328814

Share Registrar and Share Transfer Office
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
Singapore Land Tower
#32-01
Singapore 048623

Auditor
RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge:
Derek How Beng Tiong, FCA
(Effective from year ended 31 December 2011)

Principal Bankers (in alphabetical order)
Australia and New Zealand Banking Group Limited
DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Solicitor
Straits Law Practice LLC
9 Raffles Place #32-00
Republic Plaza
Singapore 048619

Investor Relations
Financial PR Pte Ltd
4 Robinson Road
#04-01 The House of Eden
Singapore 048543

CURRENT Projects

PARC CENTROS

8 blocks of 16-storey (618 units) condominium with 2 basement carparks, tennis courts, swimming pool and clubhouse facilities @ Punggol Central/Punggol Place

Expected TOP: 2016

Property Development

PREMIER@KAKI BUKIT

2 blocks of 8/9-storey multiple-user industrial development @ Kaki Bukit Avenue 4

Expected TOP: 2014

URBAN RESIDENCES

5-storey, 47-unit apartment complete with attic, basement car park and communal facilities @ Upper Paya Lebar Road

Expected TOP: 2014

PARC CENTROS

8 blocks of 16-storey (618 units) condominium with 2 basement carparks, tennis courts, swimming pool and clubhouse facilities @ Punggol Central/Punggol Place

Client: Wee Hur (Punggol Central) Pte Ltd — Expected Completion: 2016

FERNVALE RIVERWALK

727 units of public housing in Sengkang Neighbourhood 4 Contract 19

Client: Housing & Development Board — Expected Completion: 2017

Construction

FERNVALE RIVERBOW

1,154 units of public housing in Sengkang Neighbourhood 4 Contract 20

Client: Housing and Development Board

Expected Completion: 2014

VISTA SPRING@YISHUN

696 units of public housing in Yishun Neighbourhood 4 Contract 7

Client: Housing and Development Board

Expected Completion: 2014

URBAN RESIDENCES

5-storey, 47-unit apartment complete with attic, basement car park and communal facilities @ Upper Paya Lebar Road

Client: Wee Hur (Paya Lebar) Pte Ltd | Expected Completion: 2014

PREMIER@KAKI BUKIT

2 blocks of 8/9-storey multiple-user industrial development @ Kaki Bukit Avenue 4

Client: Wee Hur (Kaki Bukit) Pte Ltd | Expected Completion: 2014

Construction

TUAS VIEW DORMITORY

20 blocks of 4-storey dormitory (16,800 beds), 3 blocks of 2-storey administrative & commercial buildings, canteen and communal amenities @ Tuas South Avenue 1

Client: Active System Engineering Pte Ltd | Expected Completion: 2014

DBS ASIA HUB (PHASE 2)

6-storey commercial building @ Changi Business Park

Client: Ascendas Group | Expected Completion: 2015

TUAS VIEW DORMITORY

At a capacity of 16,800 beds, Tuas View Dormitory will be one of the largest workers' dormitory in Singapore. This dormitory is a self-contained living quarters equipped with common toilets, designated cooking and food preparation area, laundry area and common dining cum interacting area. Catering to the need for rest and recreation, there will also be an indoor recreational/multi-purpose room, reading rooms and TV rooms as well as two indoor gymnasiums and at least two outdoor game courts. Besides, there will also be commercial amenities such as minimarts, a canteen and other retail shops to provide greater convenience to the occupants.

OVERVIEW

SPORTS RECREATION AREA

COMMERCIAL AMENITIES Expected TOP: 2014

COMPLETED PROJECTS

HARVEST@WOODLANDS

TOP: 2012

VILLAS@GILSTEAD

TOP: 2011

Construction

TRILIGHT

PARKVIEW ECLAT

BOON LAY GROVE

COMPASSVALE PEARL

STANDARD CHARTERED@CHANGI (PHASE 2)

JCUBE

Construction

NEXUS@ONE-NORTH

STUDIO M HOTEL

Construction

DBS ASIA HUB

HARVEST@WOODLANDS

FOUR ACRES SINGAPORE

Construction

ORION

THE SCARLET HOTEL

THE ARTS HOUSE

The Company is committed to a high standard of corporate governance to ensure effective self regulation practices are in place to enhance corporate performance and accountability.

This report outlines the Company's main corporate governance practices with references to the principles of the Code of Corporate Governance 2012 (the "Code"). The Code forms part of the continuing obligation of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

THE BOARD'S CONDUCT OF AFFAIRS

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

The Board of Directors (the "Board") has six members comprising three Executive Directors, one Non-Executive Director and two Non-Executive and Independent Directors. The Board comprises the following members:

Name of Directors	Position in Board	Appointment
Goh Yeow Lian	Executive Chairman and Managing Director	Executive Director
Goh Yew Tee	Executive Director and Deputy Managing Director	Executive Director
Goh Yeo Hwa	Member	Executive Director
Goh Yew Gee	Member	Non-Executive Director
Teo Choon Kow @ William Teo	Member	Lead Independent Director
Wong Kwan Seng Robert	Member	Independent Director

The Company's Articles of Association permit directors of the Company (the "Directors") to attend meetings through the use of audio-visual communication equipment.

In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda enabling the Directors to make informed decisions. The number of Board and Board Committee meetings held in the reporting year 2013 are as follows:

	Board Committee	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	4	4	1	1
Attendance				
Goh Yeow Lian	4	4*	1*	1*
Goh Yew Tee	4	4*	1*	1*
Goh Yeo Hwa	4	4*	1*	1*
Goh Yew Gee	4	4	1	1
Wong Kwan Seng Robert	4	4	1	1
Teo Choon Kow @ William Teo	4	4	1	1

* attended the meeting by invitation

The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by management and monitors standards of performance and issues of policy directly. In addition to its statutory duties, the Board's principal functions are:

(i) Supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;

(ii) Formulating and approving financial objectives of the Group and monitoring its performances such as reviewing and approving of results announcements and approving of annual financial statements;

(iii) Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;

(iv) Assuming responsibility for corporate governance and compliances with the Companies Act and the rules and regulations of the relevant regulatory bodies;

(v) Evaluating performance of management; and

(vi) Approving the recommended framework of remuneration for the Board and key executives.

Matters that are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuance and the proposing of dividends.

The Board has adopted a set of internal guidelines on the matters requiring Board's approval. Certain functions have also been delegated to various Board committees, namely, the Audit Committee, the Remuneration Committee and the Nominating Committee.

Changes to regulations and accounting standards are monitored closely by management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, Directors are briefed either during Board meetings or at specially-convened sessions conducted by professionals. Newly appointed directors will be briefed by the Executive Chairman on the business activities of the Group and its strategic directions as well as their duties and responsibilities as directors.

In order to ensure that the Board is able to fulfill its responsibilities, prior to the Board meetings, the management provides the members of the Board with management accounts, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting before the scheduled meeting.

The Directors are also regularly briefed on the business activities of the Group.

The Board has separate and independent access to the Company Secretary at all times and the Company Secretary attends all Board and Committee meetings and is responsible for ensuring that Board procedures are followed. The Board also has access to independent professional advice, where necessary, at the Company's expense.

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises six members of whom three are Executive Directors, one is Non-Executive Director and two are Non-Executive and Independent Directors. Independent Directors comprise one third of the Board members.

The Board is able to exercise objective judgement independently from management and no individual or small group of individuals dominate the decisions of the Board.

The Nominating Committee is of the view that the current Board size of six directors is appropriate taking into account the nature and scope of the Group's operations, the core competencies of knowledge and the business experiences of the Directors to govern and meet the Group's objectives.

The Board has no dissenting view on the Chairman's statement for the year in review.

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

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

Goh Yeow Lian ("Mr Goh") is currently the Executive Chairman and Managing Director. In view of Mr Goh's concurrent appointment as the Executive Chairman and Managing Director, the Board has appointed Teo Choon Kow @ William Teo as the Lead Independent Director, pursuant to the recommendations in Guideline 3.3 of the Code. In accordance with the recommendations in the said Guideline 3.3, the Lead Independent Director is available to shareholders where they have concerns with contact through the normal channels of the Executive Chairman and Managing Director has failed to resolve or for which such contact is inappropriate.

As the Executive Chairman and Managing Director, Mr Goh is responsible for the day-to-day operations of the Group and has the full executive responsibilities over the business directions and operational decisions of the Group. As Executive Chairman, he also exercises control over quality, quantity and timeliness of the flow of information between the management of the Company and the Board, and assisting in ensuring compliance with the Company's guidelines on corporate governance. He also schedules meetings with the Board and prepares meeting agenda with the assistance of the Company Secretaries of the Company (the "Company Secretaries").

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

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

The Nominating Committee ("NC") comprises the following Directors:

1. Wong Kwan Seng Robert - Chairman
2. Teo Choon Kow @ William Teo - Member
3. Goh Yew Gee - Member

Wong Kwan Seng Robert and Teo Choon Kow @ William Teo are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The NC's written terms of reference describe its responsibilities, and these include:

(i) Identifying candidates and making recommendations for all Board appointments and re-nomination or continuation in office of any director;

(ii) Regularly reviewing the board's structure, size and composition, and making recommendations to the Board with regards to any adjustments that are deemed necessary;

(iii) Determining annually whether or not a director is independent;

(iv) Deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly when he/she has multiple board representations, and proposing internal guidelines in relation to multiple board representations;

(v) Deciding how the performance of the Board may be evaluated and propose objective performance criteria; and

(vi) Recommending procedures for assessing the effectiveness of the Board as a whole and for assessing the contributions by each individual director to the effectiveness of the Board.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Company's Articles of Association, one third of the Board's Directors are to retire from office by rotation and be subject to re-election at the annual general meeting ("AGM") of the Company.

The NC has recommended Wong Kwan Seng Robert and Teo Choon Kow @ William Teo, who are retiring at the forthcoming AGM, to be re-elected. The two Directors are retiring under Article 107 of the Company's Articles of Association. The retiring Directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

The dates of initial appointment and last re-election of each Director are set out below:

	NAME OF DIRECTORS	APPOINTMENT	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION
1	Goh Yeow Lian	Executive Chairman and Managing Director	3 September 2007	26 April 2013
2	Goh Yew Tee	Executive Director and Deputy Managing Director	24 September 2007	26 April 2013
3	Goh Yeo Hwa	Member	24 September 2007	27 April 2012
4	Goh Yew Gee	Member	24 September 2007	27 April 2012
5	Teo Choon Kow @ William Teo	Member	14 December 2007	28 April 2011
6	Wong Kwan Seng Robert	Member	14 December 2007	28 April 2011

The performance of the Board is ultimately reflected in the performance of the Company. The Board should ensure compliance with the applicable laws. Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders.

The Board, through the delegation of its authority to the NC had made its best efforts to ensure each Director possesses the experience, knowledge and skills critical to the Group's business. This is necessary to enable the Board to make sound and well-considered decisions. The NC, in considering the nominating of any Director for re-election, will evaluate the performance of the Director involved.

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole annually. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board's accountability. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board.

The NC is of the view that whilst it is important for Directors to devote sufficient time and attention to the affairs of the Group, the issue relating to multiple board representations should be left to the judgement and discretion of each Director.

The NC believes that contributions from each Director can be reflected in other ways other than the reporting of attendances of each Director at Board and Board Committees' meetings as well as the frequency of such meetings. A director would have been appointed on the strength of his/her experience and his/her potential to contribute to the proper guidance of the Group and its business. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his/her contributions, which can be in many forms, including management's access to him/her for guidance or exchange of views outside the formal environment of the Board.

The NC is of the opinion that the Directors, who have been classified as independent under the Board composition section, are indeed independent and the current size of the Board is adequate for the purposes of the Group.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates.

New directors are appointed after the NC has reviewed and nominated them for appointment. Such new directors submit themselves for re-election or re-appointment at the next AGM of the Company.

ACCESS TO INFORMATION

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

All Directors receive a set of Board papers that include explanatory information relating to matters to be brought before the Board, copies of disclosure notes and internal Group's financial statements prior to Board meetings. This is generally issued to them at least three days prior to Board meetings. This is to allow sufficient time for the Board members to obtain further explanations, where necessary, to be properly briefed and adequately prepared for Board meetings.

In addition, Directors receive the management accounts of the Company and have unrestricted access to the records and information of the Company. The Non-Executive and Independent Directors have access to senior executives in the Company and other employees to seek additional information, if required. To facilitate such access, the contact particulars of the senior management and secretaries of the Company have been provided to the Directors. Directors can seek independent professional advice, if required, and in accordance with procedure. The costs of such independent professional advice will be borne by the Company.

The Company Secretaries have the responsibility to ensure that Board procedures are followed and that all applicable rules and regulations are complied with. One or both of the Company Secretaries are in attendance at meetings of the Board and Sub-Committees. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE OF REMUNERATION

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

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

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

The Remuneration Committee ("RC") comprises the following Directors:

1. Teo Choon Kow @ William Teo - Chairman
2. Wong Kwan Seng Robert - Member
3. Goh Yew Gee - Member

Teo Choon Kow @ William Teo and Wong Kwan Seng Robert are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The written code of the Remuneration Committee describes its responsibilities. These include:

(i) Reviewing and recommending a framework of remuneration for the Directors and key officers, determining specific remuneration packages for each Executive Director, including the Executive Chairman, and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;

(ii) Reviewing and recommending the remuneration packages of all managerial staff in the Company or any of its principal subsidiaries, including managerial staff who are related to any of the Directors or any substantial shareholders of the Company; and

(iii) Administering the Share Options Schemes of the Company, if any.

Although the recommendations are made in consultation with the Executive Chairman of the Board, the remuneration packages are ultimately approved by the entire Board. No Director is involved in deciding his own remuneration.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration packages of the Executive Chairman and Managing Director, and the Executive Directors include a variable performance bonus. Each Executive Director has a separate service agreement with the Company.

Director's fees are set in accordance with the remuneration framework comprising basic fees and committee fees. These are subject to the approval of the Company during the AGM.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that full disclosure of the specific remuneration of each individual director and the Group's key management personnel (who are not directors) is not in the best interests of the Company and therefore, shareholders. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in and the irrevocable negative impact such disclosure may have on the Group.

Details of remuneration and benefits of directors and key management executives for the reporting year ended 31 December 2013 which will provide sufficient overview of the remuneration of directors and key management personnel are set out below:

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors					
Above $1 million					
Goh Yeow Lian	–	15	82	3	100
$750,001 to $1 million					
Goh Yew Tee	–	27	68	5	100
$500,001 to $750,000					
Goh Yeo Hwa	–	29	64	7	100
Below $250,000					
Teo Choon Kow @ William Teo	100	–	–	–	100
Wong Kwan Seng Robert	100	–	–	–	100
Goh Yew Gee	100	–	–	–	100

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Key Executives					
$250,001 to $500,000					
Goh Cheng Huah	–	42	52	6	100
Koh Chong Kwang	–	42	51	7	100
Below $250,000					
Goh Yeu Toh#	–	53	27	20	100
Cheng Kiang Huat#	–	53	27	20	100
Sua Nam Heng#	–	53	27	20	100
Sua Chen Shiua	–	55	44	1	100
Gaw Chu Lan	–	53	46	1	100
Ewe Tuck Foong	–	73	26	1	100

Goh Yeu Toh, Cheng Kiang Huat and Sua Nam Heng are Executive Directors of Wee Hur Construction Pte Ltd, a wholly-owned subsidiary of the Company.

Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa, Goh Yew Gee and Goh Yeu Toh ("Messrs Goh") are brothers. Cheng Kiang Huat and Sua Nam Heng are brothers-in-law of Messrs Goh. Gaw Chu Lan is the sister of Messrs Goh. Sua Chen Shiua is the son of Sua Nam Heng and hence, he is the nephew of Messrs Goh.

Given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the disclosure relating to the remuneration of the top 5 key management executives (who are not directors of the Company) of the Group in bands of $250,000 is set out above.

Other than those disclosed above, remuneration of immediate family members of Chairman/Directors who received remuneration which exceeded $50,000 for the reporting year ended 31 December 2013 are as follows:

Remuneration Bands and Name

$100,001 to $150,000
Goh Chey Teck

$50,001 to $100,000
Cheng Song Seng
Goh Chengyu
Goh Wee Ping
Sua Teng Jah

Goh Chey Teck is the brother of Messrs Goh. Cheng Song Seng is the son of Cheng Kiang Huat, Goh Chengyu is the son of Goh Yeo Hwa, Goh Wee Ping is the son of Goh Yeow Lian, Sua Teng Jah is the daughter of Sua Nam Heng, and they are all nephews and niece of Messrs Goh.

The Company has in place the Wee Hur Employee Share Option Scheme and Wee Hur Performance Share Plan which were approved by the shareholders at an Extraordinary General Meeting held on 19 May 2009.

ACCOUNTABILITY

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

The Board, through its announcements of the Group's financial results to shareholders, aims to present a balanced and understandable assessment of the Group's position and prospects.

In preparing the financial statements, the Directors have:

(i) Selected suitable accounting policies and applied them consistently;

(ii) Made judgements and estimates that are reasonable and prudent;

(iii) Ensured that all applicable accounting standards have been followed; and

(iv) Prepared financial statements on the basis that the Directors have reasonable expectations, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future.

RISK MANAGEMENT AND INTERNAL CONTROLS AND AUDIT COMMITTEE

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

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

The Board, assisted by the Audit Committee ("AC") has oversight of the risk management system in the Group. The practice of risk management is undertaken by the Executive Directors and senior executives under the purview of the AC and the Board. Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

With the assistance of the external consultant, RSM Ethos Pte. Ltd., the Group is in the midst of establishing a Risk Governance and Internal Control Framework to monitor, manage and build awareness within the Group of the various risks to which the Group is exposed.

Under the proposed Risk Governance and Internal Control Framework, management of all levels are expected to constantly review the business operations and the environment that we operate in to identify risk areas and ensure mitigating measures are promptly developed to address these risks. The Risk Governance and Internal Control Framework outlines the Group's approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, managing and monitoring risks faced by the Group.

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

The AC comprises the following Directors:

1. Teo Choon Kow @ William Teo - Chairman
2. Wong Kwan Seng Robert - Member
3. Goh Yew Gee - Member

Teo Choon Kow @ William Teo and Wong Kwan Seng Robert are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The role of the AC is to assist the Board in overseeing the adequacy of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditor as well as their independence. The functions of the AC include the following:

(i) Review with external auditor the scope and results of the audit, system of internal controls, their management letter and management's response;

(ii) Review the financial statements including annual budget and any forecast, before submission to the Board for approval;

(iii) Review the scope and results of the internal audit proceedings of the internal auditor to ensure all possible precautions are taken to ensure no irregularities;

(iv) Review the interested person transactions in accordance with the Listing Rules of the SGX-ST;

(v) Review whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required;

(vi) Review all non-audit services provided by external auditor so as to ensure that any provision of such services would not affect the independence and objectivity of external auditor; and

(vii) Consider and recommend the appointment or re-appointment of the external auditor.

The AC has been given full access and obtained the co-operation of the management of the Company. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has met with RSM Chio Lim LLP ("Chio Lim"), the external auditor of the Company (the "External Auditor") without the presence of the management. The AC also met with the External Auditor to discuss the results of their examinations and their evaluation of the systems of internal accounting controls. In addition, updates on changes in accounting standards and treatment are prepared by the External Auditor and circulated to members of the AC periodically for information.

The AC has reviewed the nature and extent of non-audit services provided by Chio Lim and the fees paid for its audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 December 2013. The AC has reviewed the nature and amount of non-audit fees paid to Chio Lim and is of the view that the independence of the External Auditor has not been compromised.

The AC has also reviewed and confirmed that Chio Lim is a suitable audit firm to meet the Company's audit obligations, having regards to the adequacy of resources and experience of the firm and the assigned audit engagement partner, Chio Lim's other audit engagements, size and complexity of the Wee Hur Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the AC recommended to the Board the re-appointment of Chio Lim as External Auditor of the Company for the reporting year ending 31 December 2014.

Chio Lim has been engaged to audit the financial statements of the Company and its Singapore incorporated subsidiaries. The Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firm. The Group does not have any foreign-incorporated subsidiaries and associated companies.

The Company has put in place a whistle-blowing policy in 2008. This policy will provide well-defined and accessible channels in the Group through which employees and third parties may raise concerns about improper conduct within the Group.

INTERNAL AUDIT

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

The Company has re-appointed Alfred PF Shee & Co as Internal Auditor for the reporting year 2013. The Internal Auditor plans its internal audit schedules in consultation with the management and its plans are submitted to the AC for approval. The AC reviews and approves the internal audit plans and resources and also ensures that Alfred PF Shee & Co has the necessary resources to adequately perform its functions. The AC has also reviewed and they believed that the Internal Auditor is independent and has the appropriate standing to perform its functions effectively.

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

Based on the aforesaid and the statutory audit conducted by the External Auditor and the internal audit conducted by the Internal Auditor, the Board, with the concurrence of the AC, is satisfied that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, are adequate to meet the needs of the Group's existing business objectives, having addressed the critical risks area for the reporting year ended 31 December 2013. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgement in decision-making, human errors, losses, frauds or other irregularities.

The Executive Chairman and Managing Director and the Chief Financial Officer at the reporting year end have provided a letter of assurance (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (b) regarding the effectiveness of the Company's risk management and internal control systems.

COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDERS' MEETINGS

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

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

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

The Company does not practice selective disclosure. Price sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods.

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of AGM and circulars and notices pertaining to any extraordinary general meetings of the Company. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder may appoint up to two proxies to attend and vote on his/her behalf at the general meeting through proxy form deposited 48 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Participation of shareholders is encouraged at the AGM through the open question and answer session. The Directors, management and the External Auditor are available to address any queries or concerns on matters relating to the Group and its operations.

While acknowledging that voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. The Board would adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll at general meetings held on or after 1 August 2015.

DIVIDEND POLICY

While the Company has not formally instituted a dividend policy, it has a good track record of paying annual dividends to shareholders since its listing in 2008. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operations and cash flows, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

DEALINGS IN SECURITIES

The Company has adopted an internal code which prohibits dealings in the securities of the Company by Directors and officers of the Group while in possession of price-sensitive information. Under this code, the Company, Directors and employees of the Group are not permitted to deal with the securities of the Company during the period beginning two weeks and one month before the announcement of the quarterly and annual results respectively, and ending on the date of the announcement. In addition, Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors and employees are also discouraged from dealing in the Company's securities on short-term consideration.

DISCLOSURE OF MATERIAL CONTRACTS

Except as disclosed under Interested Person Transactions, there is no material contract entered into by the Company or any of its subsidiaries involving the interests of any Directors during the reporting year.

INTERESTED PERSON TRANSACTIONS

The Company has set out procedures governing all interested person transactions to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

Disclosure according to the Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the reporting year 2013 is stated in the following table:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
WM Dormitory Pte. Ltd.(1)	7,230(2)	NIL

Notes:

(1) WM Dormitory Pte. Ltd. is a joint venture partner with Wee Hur Dormitory Pte. Ltd. (a wholly-owned subsidiary of the Company) in Active System Engineering Pte. Ltd.. Pursuant to Rule 916(2) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if the risks and rewards are in proportion to the equity of each joint venture partner. Please refer to Announcement dated 23 October 2013 for more information.

(2) Pursuant to Rule 916(3) of the Listing Manual, shareholders' approval is not required for the provision of a loan to a joint venture with an interested person if the loan is extended by all joint venture partners in proportion to their equity and on the same terms. Please refer to Announcement dated 23 October 2013 for more information.

The Company does not have a general shareholders' mandate pursuant to Rule 920 of the Listing Manual.

USE OF WARRANT PROCEEDS

The Group furnishes an update on the use of the net proceeds from the warrants issued and exercise of warrants:

The Group has fully utilised Warrants 2014 proceeds as follows:

	Net Proceeds	Amount Raised $	Amount Utilised $
i)	Warrants Issue	–	–
ii)	Exercise of Warrants	51,514,252	51,514,252
	Total	51,514,252	51,514,252*

* The amount has fully been deployed to Wee Hur (Punggol Central) Pte. Ltd., Wee Hur-Lucrum Pte. Ltd. and Active System Engineering Pte. Ltd., which are subsidiaries of the Company for the upfront payment for the acquisition of land parcels as well as working capital.

Report of the Directors

The Directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the reporting year ended 31 December 2013.

1. Directors at Date of Report

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

Executive Chairman and Managing Director
Goh Yeow Lian

Executive Directors
Goh Yew Tee
Goh Yeo Hwa

Non-Executive Director
Goh Yew Gee

Independent Directors
Teo Choon Kow @ William Teo
Wong Kwan Seng Robert

2. Arrangements to Enable Directors to Acquire Benefits by Means of Acquisition of Shares and Debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except as disclosed in paragraphs 3 to 7 below.

3. Directors' Interests in Shares and Debentures

The Directors of the Company holding office at the end of the reporting year had no interests in the share capital, warrants and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Direct interest		**Deemed interest**	
Name of Directors and company in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
Wee Hur Holdings Ltd. (the Company)	**Number of shares of no par value**			
Goh Yeow Lian	–	–	313,342,622	396,894,872
Goh Yew Tee	17,329,757	20,720,416	–	–
Goh Yeo Hwa	1,010,000	1,010,000	34,253,873	36,799,257
Goh Yew Gee	16,912,040	19,501,120	500,000	–
Wong Kwan Seng Robert	225,000	225,000	–	–

3. Directors' Interests in Shares and Debentures (cont'd)

	Direct Interest		Deemed Interest	
Name of Directors and company in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
Wee Hur Holdings Ltd. (the Company)		**Number of Warrants 2014**		
Goh Yeow Lian	–	–	83,552,250	–
Goh Yew Tee	3,390,659	–	–	–
Goh Yeo Hwa	–	–	2,044,384	–
Goh Yew Gee	2,589,080	–	–	–
Wong Kwan Seng Robert	75,000	–	–	–

Mr Goh Yeow Lian is deemed to have an interest in all the related corporations of the Company.

The Directors' interests as at 21 January 2014 were the same as those at the end of the reporting year.

4. Contractual Benefits of Directors

Since the beginning of the reporting year, no Director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

5. Share Options

Wee Hur Employee Share Option Scheme

The Wee Hur Employee Share Option Scheme ("Wee Hur ESOS") was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2009.

The Wee Hur ESOS is administered by the following Directors (the "Committee"):

Goh Yeow Lian (Chairman)
Teo Choon Kow @ William Teo
Wong Kwan Seng Robert
Goh Yew Gee
Goh Yew Tee
Goh Yeo Hwa

A summary of the Wee Hur ESOS is as follows:

(a) Background and rationale for the Wee Hur ESOS

The Wee Hur ESOS is open to a wide category of participants including Executive and Non-Executive Directors of the Company and employees. It is intended to help the Group attracts, recruits and retains the services of talented senior management and employees who would be able to contribute to the Group's businesses and operations. Additionally, the Wee Hur ESOS will provide an opportunity for employees who have contributed significantly to the growth and performance of the Group, as well as Directors (including Executive and Non-Executive Directors) who satisfy the eligibility criteria to participate in the equity of the Company.

5. Share Options (cont'd)

Wee Hur Employee Share Option Scheme (cont'd)

(b) Eligibility

Group's employees including Executive Directors and Non-Executive Directors who have attained the age of 21 years will be eligible to participate in the Wee Hur ESOS at the absolute discretion of the Committee. Each Non-Executive Director is not entitled to more than 3% of the shares available under the Wee Hur ESOS.

The Company may acquire associates in the future and accordingly, the Company has provided for the Wee Hur ESOS to be extended to Directors and key employees of its future associates (if any).

(c) Size of the Wee Hur ESOS

The aggregate number of shares in respect of which options may be granted on any date under the Wee Hur ESOS, when added to (i) the number of shares issued and issuable in respect of all options granted thereunder; and (ii) all shares issued and issuable pursuant to the Wee Hur PSP (See "Performance Share Plan" below), shall not exceed 15% of the number of issued shares of the Company (excluding treasury shares, if any) on the day immediately preceding the relevant date of grant.

Subject to the provisions on variation of the share capital, the total number of shares in respect of options that may be offered to a participant in accordance with the Wee Hur ESOS shall be determined at the absolute discretion of the Committee. The Company does not specify a sub-limit for the Wee Hur ESOS so as to provide for flexibility in the option structure.

(d) Exercise price

Under the Wee Hur ESOS, the exercise price of options granted will be determined by the Committee with reference to the average of the last dealt price(s) for a share, as determined by reference to the official list or any other publication by the Singapore Exchange Securities Trading Limited ("SGXST"), for the last five (5) consecutive market days immediately preceding the offering date of that option ("Market Price"). Options may be granted with or without a discounted exercise price. In the event that options are granted at a discount, the discount shall not exceed 20% of the Market Price and is subject to the approval of shareholders in a general meeting.

(e) Exercise of options

Options granted with the exercise price set at the Market Price shall only be exercisable by a participant after the first anniversary from the date of grant. Options granted with the exercise price set at a discount to the Market Price shall only be exercisable by a participant after the second anniversary from the date of grant. 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) and in accordance with a vesting schedule and the conditions (if any) to be determined by the Committee on the date of grant of the respective options.

All options granted to Group's employees, pursuant to the Wee Hur ESOS, shall be exercised before the tenth anniversary of the relevant date of grant or such earlier date as may be determined by the Committee while those granted to the Non-Executive Directors shall be exercised before the fifth anniversary of the relevant date of grant or such earlier date as may be determined by the Committee. Any unexercised options shall immediately lapse and become null and void after the relevant exercise period and a participant shall have no claim against the Company.

(f) Operation of the Wee Hur ESOS

Subject to the prevailing legislation and the rules of the Listing Manual of SGXST, the Company will have the flexibility to deliver shares to participants upon exercise of options by way of:

(i) an issue of new shares; and/or
(ii) the transfer of treasury shares

5. Share Options (cont'd)

Wee Hur Employee Share Option Scheme (cont'd)

(g) Duration of the Wee Hur ESOS

The Wee Hur ESOS shall continue to be in operation at the discretion of the Committee, subject to a maximum duration of ten (10) years commencing from its adoption by shareholders at the Extraordinary General Meeting, provided always that the Wee Hur ESOS may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The Wee Hur ESOS may be terminated at any time by the Committee or by resolution of the Company in a general meeting subject to all relevant approvals which may be required, and if the Wee Hur ESOS is so terminated, no further options shall be offered by the Company hereunder.

During the reporting year, no options to take up unissued shares of the Company or any corporation in the Group were granted, and there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the Company or any corporation in the Group under option except for those disclosed in the above paragraphs.

6. Performance Share Plan

Wee Hur Performance Share Plan

The Wee Hur Performance Share Plan ("Wee Hur PSP") was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2009.

The Wee Hur PSP is administered by the same Committee mentioned above.

A summary of the Wee Hur PSP is as follows:

(a) Background and rationale for the Wee Hur PSP

The Wee Hur PSP is intend to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key management employees. The Wee Hur PSP will be targeted at executives in key positions who are able to drive the growth of the Group through innovation, creativity and superior performance. Unlike the Wee Hur ESOS, the Wee Hur PSP contemplates the award of fully paid shares ("Award(s)") to participants deemed deserving by the Committee. Awards under the Wee Hur PSP may be time-based or performance-related, and in each instance, shall vest only:

(i) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (such Awards being "time-based Awards"); or

(ii) where the Award is performance-related, after the participant achieves a pre-determined performance target (such Awards being "performance-related Awards").

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of executives in key position whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a performance condition based on the successful completion of a project or the successful achievement of certain quantifiable performance conditions, such as sales growth or productivity enhancement.

(b) Eligibility

Group's employees (including Executive Directors of the Company) who hold such rank as may be designated by the Committee from time to time, and have attained the age of 21 years, will be eligible to participate in the Wee Hur PSP.

Non-Executive Directors of the Group or associates (if any) will also be eligible to participate in the Wee Hur PSP.

6. Performance Share Plan (cont'd)

Wee Hur Performance Share Plan (cont'd)

(c) Size of the Wee Hur PSP

The aggregate number of shares which may be granted on any date under the Wee Hur PSP, when added to the number of shares issued and issuable in respect of (i) all Awards granted thereunder; and (ii) all options granted pursuant to the Wee Hur ESOS, shall not exceed 15% of the number of issued shares of the Company (excluding treasury shares) on the day immediately preceding the relevant date of grant (or such other limit as the SGXST may determine from time to time).

Subject to the provisions on variation of the share capital, the total number of shares which may be offered to a participant pursuant to the Wee Hur PSP shall be determined at the absolute discretion of the Committee.

(d) Types of Awards

Awards granted under the Wee Hur PSP will entitle participants to be allotted fully paid shares upon satisfactory completion of time-based service conditions or pre-determined performance targets, as the case may be.

The vesting period for each Award shall be determined on a case-to-case basis and will be stated in the Award letter to be given by the Committee to the participant confirming the Award. The Committee may also make an Award at any time where in its opinion a participant's performance and/or contribution justifies such Award.

(e) Details of Awards

The Committee shall decide, in relation to each Award to be granted to a participant under the Wee Hur PSP:

(i) the date on which the Award is to be granted;

(ii) the number of shares which are the subject of the Award;

(iii) in the case of a performance-related Award, the performance period(s) during which the performance condition(s) are to be satisfied and the performance condition(s);

(iv) the prescribed vesting period(s) which would generally be a period of up to one (1) year following such time when the prescribed service condition(s) and/or performance condition(s) are met; and

(v) the schedule setting out the extent to which shares will be released on satisfaction of the performance target(s) (if any).

Awards may be granted at any time the Wee Hur PSP is in force. As soon as reasonably practicable after making an Award under the Wee Hur PSP, the Committee shall send to each participant an Award letter confirming the Award and specifying, inter alia, the matters as stated above.

(f) Operation of the Wee Hur PSP

Subject to the prevailing legislation and the rules of the Listing Manual of SGXST, the Company will have the flexibility to deliver shares and/or cash payment to participants upon vesting of their Awards by way of:

(i) an issue of new shares; and/or

(ii) the transfer of treasury shares; and/or

(iii) payment of the Equivalent Value in Cash (after deduction of any applicable taxes).

6. Performance Share Plan (cont'd)

Wee Hur Performance Share Plan (cont'd)

(f) Operation of the Wee Hur PSP (cont'd)

The "Equivalent Value in Cash" to be paid to a participant in lieu of the shares to be issued or transferred upon the release of an Award, shall be calculated in accordance with the following formula:

$A = B \times C$

Where:

A is the Equivalent Value in Cash to be paid to the participant in lieu of all or some of the shares to be issued or transferred upon the release of an Award;

B is equal to the average closing prices of shares on SGXST on each of the five (5) consecutive market days on which transactions in shares were recorded immediately preceding the date on which an Award is released in accordance with the Rules of the Wee Hur PSP; and

C is such number of shares (as determined by the Committee in its sole and absolute discretion) to be issued or transferred to a participant upon the release of an Award in accordance with the Rules of the Wee Hur PSP.

(g) Duration of the Wee Hur PSP

The Wee Hur PSP shall continue to be in operation at the discretion of the Committee, subject to a maximum duration of ten (10) years commencing from its adoption by shareholders at the Extraordinary General Meeting, provided always that the Wee Hur PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Wee Hur PSP may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required, and if the Wee Hur PSP is so terminated, no further Awards shall be offered by the Company hereunder.

During the reporting year, no Awards have been granted to eligible participants.

7. Share Capital and Warrants

On 10 November 2010, the Company announced a proposed Bonus Issue ("Warrants 2012") of up to 240,779,250 Bonus Shares with up to 240,779,250 Bonus Warrants on the basis of one (1) Bonus Share with one (1) Bonus Warrant for every two (2) existing shares held by shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Warrants 2012 have expired on 25 October 2012 with 467,047 warrants lapsed for conversion.

Subsequently, the Company allotted and issued 215,886,166 of both new ordinary shares and Warrants 2014 on 23 February 2011.

7. Share Capital and Warrants (cont'd)

At end of the reporting year, details of the unissued ordinary shares of the Company under Warrants 2014 are as follows:

Date of issue	Warrants outstanding at 01.01.2013	Warrants issued	Warrants exercised	Warrants expired	Warrants outstanding at 31.12.2013	Date of expiration
23.02.2011	193,838,559	–	184,009,398	–	9,829,161	21.02.2014*

* The expiry date of Warrants 2014 on 22.02.2014 has been changed to 21.02.2014 in the Announcement being released on 20.01.2014

Each warrant entitles the warrant holder to subscribe for one (1) new ordinary share in the Company at the exercise price of $0.25 per share. The warrants do not entitle the holders of the warrants by virtue of such holdings to any share issue of any other company. During the reporting year, the Company issued 184,009,398 ordinary shares at $0.25 each to shareholders pursuant to the exercise of warrants as disclosed above.

These new shares will rank pari passu in all respects with the then existing ordinary share save for any dividends, rights, allotments or other distributions, the record date for which is on or before the relevant exercise date of the warrants. Subsequent to the reporting year, Warrants 2014 issued on 23 February 2011 have expired on 21 February 2014 with 1,840,635 warrants lapsed for conversion.

During the reporting year, the Company did not purchase any treasury shares. There are 16,671,000 treasury shares as at 31 December 2013.

8. Independent Auditor

The independent auditor, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

9. Audit Committee

The members of the audit committee at the date of this report are as follows:

Teo Choon Kow @ William Teo (Chairman of audit committee)
Wong Kwan Seng Robert (Independent Director)
Goh Yew Gee (Non-Executive Director)

The audit committee performs the functions specified under section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls, and their report on the financial statements and the assistance given by the management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the SGXST's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the Annual Report of the Company. It also includes an explanation of how independent auditor's objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the Board of Directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next Annual General Meeting of the Company.

10. Directors' Opinion on the Adequacy of Internal Controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditor, and reviews performed by the management and the Board, the audit committee and the Board are of the opinion that Group's internal controls, addressing financial, operational and compliance risks, are adequate for the reporting year 31 December 2013.

11. Subsequent Developments

There are no significant developments subsequent to the release of the Group's and Company's preliminary financial statements, as announced on 26 February 2014, which would materially affect the Group's and Company's operating and financial performance as of the date of this report.

On behalf of the Board of Directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

28 March 2014

Statement by Directors

In the opinion of the Directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the reporting year then ended; and

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

The Board of Directors approved and authorised these financial statements for issue.

On behalf of the Board of Directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

28 March 2014

Report on the Financial Statements

We have audited the accompanying financial statements of Wee Hur Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of changes in equity of the Company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and 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 consolidated statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

To the Members of Wee Hur Holdings Ltd. (Company Registration No. 200619510K)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Report on Other Legal and Regulatory Requirements

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

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2014

Partner in charge of audit: Derek How Beng Tiong
Effective from year ended 31 December 2011

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the reporting year ended 31 December 2013

	Notes	Group 2013 $'000	Group 2012 $'000
Revenue	4	321,572	465,739
Cost of Work Done		(273,166)	(321,483)
Gross Profit		48,406	144,256
Other Items of Income			
Interest Income		1,086	152
Rental Income		41	228
Other Credits	5	363	1,192
Other Items of Expenses			
Marketing and Distribution Costs	6	(405)	(9,439)
Administrative Expenses	7	(18,896)	(25,001)
Finance Costs	8	(56)	(31)
Other Charges	5	(43)	(67)
Profit Before Tax from Continuing Operations		30,496	111,290
Income Tax Expense	10	(4,842)	(18,377)
Profit from Continuing Operations, Net of Tax and Total Comprehensive Income		25,654	92,913
Profit Attributable to Owners of the Parent, Net of Tax		20,086	95,660
Profit/(Loss) Attributable to Non-Controlling Interests, Net of Tax		5,568	(2,747)
Profit, Net of Tax		25,654	92,913
Total Comprehensive Income Attributable to Owners of the Parent		20,086	95,660
Total Comprehensive Income/(Loss) Attributable to Non-Controlling Interests		5,568	(2,747)
Total Comprehensive Income		25,654	92,913
Earnings Per Share			
Earnings per Share Currency Unit		Cents	Cents
Basic	12	2.31	14.01
Diluted	12	2.25	13.23

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2013

	Notes	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	13	14,004	15,016	–	–
Investment in Subsidiaries	14	–	–	17,645	17,714
Deferred Tax Assets	10C	1,495	3,706	–	–
Other Receivables, Non-Current	17A	–	–	–	11,554
Total Non-Current Assets		15,499	18,722	17,645	29,268
Current Assets					
Development Properties	15	307,779	254,602	–	–
Asset Classified as Held for Sale	16	–	–	–	–
Trade and Other Receivables, Current	17B	35,603	62,535	30,792	28,103
Other Assets, Current	18	23,102	64,466	27	20
Cash and Cash Equivalents	19	243,429	200,982	150,443	97,679
Total Current Assets		609,913	582,585	181,262	125,802
Total Assets		625,412	601,307	198,907	155,070
EQUITY AND LIABILITIES					
Equity					
Share Capital	21	123,754	77,870	123,754	77,870
Retained Earnings		89,410	105,750	16,310	31,765
Warrants Reserve	22	(5)	(77)	(5)	(77)
Equity Attributable to Owners of the Parent		213,159	183,543	140,059	109,558
Non-Controlling Interests		2,936	(2,112)	–	–
Total Equity		216,095	181,431	140,059	109,558
Non-Current Liabilities					
Other Financial Liabilities, Non-Current	23	89,708	120,831	–	–
Total Non-Current Liabilities		89,708	120,831	–	–
Current Liabilities					
Income Tax Payable		3,014	21,356	105	86
Trade and Other Payables, Current	25	125,320	154,671	58,743	45,426
Other Financial Liabilities, Current	23	6,582	9,397	–	–
Other Liabilities, Current	26	22,407	9,328	–	–
Progress Billings Received and Receivables	15	162,286	104,293	–	–
Total Current Liabilities		319,609	299,045	58,848	45,512
Total Liabilities		409,317	419,876	58,848	45,512
Total Equity and Liabilities		625,412	601,307	198,907	155,070

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

	Total Equity	Attributable to Parent Sub-Total	Share Capital	Retained Earnings	Warrants Reserve	Non-Controlling Interests
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Current Year:						
Opening Balance at 1 January 2013	181,431	183,543	77,870	105,750	(77)	(2,112)
Movements in Equity:						
Total Comprehensive Income for the Year	25,654	20,086	–	20,086	–	5,568
Non-Controlling Interests adjustment due to increase in Investment in Subsidiaries	20	–	–	–	–	20
Dividends Paid (Note 11)	(36,966)	(36,426)	–	(36,426)	–	(540)
Exercise of Warrants (net of issue expenses)	45,956	45,956	45,884	–	72	–
Closing Balance at 31 December 2013	216,095	213,159	123,754	89,410	(5)	2,936
Previous Year:						
Opening Balance at 1 January 2012	89,152	85,417	60,967	23,948	502	3,735
Movements in Equity:						
Total Comprehensive Income for the Year	92,913	95,660	–	95,660	–	(2,747)
Transfer	–	–	–	3	(3)	–
Share Buyback (Note 21)	(3,682)	(3,682)	(3,682)	–	–	–
Non-Controlling Interests adjustment due to increase in Investment in Subsidiaries	350	–	–	–	–	350
Dividends Paid (Note 11)	(17,311)	(13,861)	–	(13,861)	–	(3,450)
Exercise of Warrants (net of issue expenses)	20,009	20,009	20,585	–	(576)	–
Closing Balance at 31 December 2012	181,431	183,543	77,870	105,750	(77)	(2,112)

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the reporting year ended 31 December 2013

	Total Equity	Share Capital	Retained Earnings	Warrants Reserve
	$'000	$'000	$'000	$'000
Company				
Current Year:				
Opening Balance at 1 January 2013	109,558	77,870	31,765	(77)
Movements in Equity:				
Total Comprehensive Income for the Year	20,971	–	20,971	–
Dividends Paid (Note 11)	(36,426)	–	(36,426)	–
Exercise of Warrants (net of issue expenses)	45,956	45,884	–	72
Closing Balance at 31 December 2013	140,059	123,754	16,310	(5)
Previous Year:				
Opening Balance at 1 January 2012	75,977	60,967	14,508	502
Movements in Equity:				
Total Comprehensive Income for the Year	31,115	–	31,115	–
Transfer	–	–	3	(3)
Share Buyback (Note 21)	(3,682)	(3,682)	–	–
Dividends Paid (Note 11)	(13,861)	–	(13,861)	–
Exercise of Warrants (net of issue expenses)	20,009	20,585	–	(576)
Closing Balance at 31 December 2012	109,558	77,870	31,765	(77)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the reporting year ended 31 December 2013

	Group	
	2013	2012
	$'000	$'000
Cash Flows From Operating Activities		
Profit Before Tax	30,496	111,290
Adjustments for:		
Interest Income	(1,086)	(152)
Interest Expenses	56	31
Depreciation of Property, Plant and Equipment	3,682	4,073
Plant and Equipment Written Off	16	2
Loss/(Gain) on Disposal of Plant and Equipment	1	(16)
Gain on Disposal of Investment Property	–	(568)
Impairment of Goodwill	1	–
Operating Cash Flows Before Changes in Working Capital	33,166	114,660
Trade and Other Receivables, Current	27,088	(20,331)
Other Assets, Current	45,378	(27,396)
Development Properties	(50,742)	(70,372)
Progress Billings Received and Receivables	57,993	(35,792)
Trade and Other Payables, Current	(9,690)	32,875
Other Liabilities, Current	10,222	8,333
Net Cash Flows From Operations	113,415	1,977
Income Taxes Paid	(20,973)	(5,154)
Net Cash Flows From (Used In) Operating Activities	92,442	(3,177)
Cash Flows From Investing Activities		
Proceeds from Disposal of Plant and Equipment	1	16
Proceeds from Disposal of Investment Property	–	4,450
Purchase of Property, Plant and Equipment (Note 13)	(2,688)	(8,728)
Net Cash Inflow on Acquisition of Subsidiary (Note 32)	14	–
Interest Received	931	101
Net Cash Used in Investing Activities	(1,742)	(4,161)
Cash Flows From Financing Activities		
Proceeds from Exercise of Warrants	45,956	20,009
Purchase of Treasury Shares	–	(3,682)
Contribution from Non-Controlling Interests from Increase in Investment in Subsidiaries	–	350
Dividends Paid	(36,966)	(17,311)
Interest Paid	(2,520)	(3,243)
Finance Lease Repayments	(77)	(75)
Cash Restricted in Use	2,667	2,061
Increase from New Borrowings	–	164,458
Decrease in Borrowings	(33,861)	(106,000)
Related Parties Loans	(20,785)	37,820
Net Cash Flows (Used in) From Financing Activities	(45,586)	94,387
Net Increase in Cash and Cash Equivalents	45,114	87,049
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	197,315	110,266
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance (Note 19A)	242,429	197,315

The accompanying notes form an integral part of these financial statements.

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar and they cover the Company (referred as "parent") and the subsidiaries.

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by Directors.

The Company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited.

The registered office is: 39 Kim Keat Road, Wee Hur Building, Singapore 328814. The Company is situated in Singapore.

The subsidiaries held by the Company and the Group are listed in Note 14 below. The principal activities of the subsidiaries are described therein.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50 (the "Act"). The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS.

Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash are eliminated on consolidation. The consolidated financial statements include the income and expenses of a subsidiary from the date the entity gains control until the date when the entity ceases to control the subsidiary. Income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Summary of Significant Accounting Policies (cont'd)

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates.

Revenue from residential development properties

INT FRS 115 (Agreement for the Construction of Real Estate) clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

Revenue and cost on the sale of residential development properties that meets the conditions stated under INT FRS 115 are recognised using the stage of completion method. The amount brought into the financial statements is the profits attributable to each sale contracts signed but only to the extent that it relates to the stage of completion as certified by the independent architects or quantity surveyors for the individual units sold. When losses are expected, full provision is made in the financial statements after adequate consideration has been made for estimated costs to completion. Development is considered complete upon the issue of Temporary Occupation Permit ("TOP").

Revenue from commercial and industrial development properties

Revenue and cost on the sale of commercial and industrial development properties are recognised using the completed contract method instead of the stage of completion method.

Construction contracts – Revenue and Results

When the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method except where this would not be representative of the stage of completion. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The construction contracts in progress have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

Interest income

Interest income is recognised using effective interest rate method.

Rental income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease terms.

Dividend income

Dividend from equity instruments is recognised as income when the entity's right to receive payment is established.

2. Summary of Significant Accounting Policies (cont'd)

Development Properties

Development properties are properties being constructed or developed for sale. The cost of properties under development comprises specifically identified costs, including land acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable.

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

2. Sold development properties — Revenue and costs on development properties that have been sold are recognised using the stage of completion method under FRS 11 or the completed contract method under FRS 18. When it is probable that cost of development property will exceed sale proceeds of the development property, the expected loss is recognised as an expense immediately.

The development properties in progress have operating cycles longer than one year. The management includes in current assets amounts relating to the development properties in progress realisable over a period in excess of one year.

Employee Benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income; and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

2. Summary of Significant Accounting Policies (cont'd)

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable, deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

In the Company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary 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. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market.

Business Combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Non-Controlling Interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of Significant Accounting Policies (cont'd)

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	Over the terms of the relevant lease
Furniture	20%
Renovation and air-conditioners	20%
Equipment and machinery	20% and 100%
Motor vehicles	10%
Computers	100%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at the end of each reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charges for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

In the reporting year 2012, the useful lives of certain assets were revised. As a result of this review, the estimated useful lives of certain assets have been reduced to "20% and 100%" from "10%". The revisions were accounted for prospectively as a change in accounting estimate and accordingly, the depreciation charges of the Group for the reporting year 2012 have been increased by $2,554,000.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

2. Summary of Significant Accounting Policies (cont'd)

Leases (cont'd)

The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, as if no impairment loss had been recognised.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Summary of Significant Accounting Policies (cont'd)

Financial Assets (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised.

   For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically, trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expired. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least twelve (12) months after the end of the reporting year.

2. Summary of Significant Accounting Policies (cont'd)

Financial Liabilities (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts, if significant, are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37; and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18.

   All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category, fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair Value Measurements

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risks. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Summary of Significant Accounting Policies (cont'd)

Equity

Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Treasury Shares

Where the entity re-acquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, re-issued or disposed off. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Segment Reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Assets Classified as Held for Sale

Identifiable assets, liabilities and contingent liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by FRS 105 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale, no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

Warrants

The proceeds received from the subscription price for the issue of warrants, net of direct issue expenses are credited to the warrants reserve. As and when the warrants are exercised, the subscription price for the warrants exercised will be transferred from warrants reserve to share capital. Upon the expiry of the warrants, the balance of the warrants reserve representing the net proceeds from the issue of the warrants not exercised, will be transferred to retained earnings.

2. Summary of Significant Accounting Policies (cont'd)

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income. The interest saved from government loans is regarded as additional government grant.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Construction contracts:

When the outcome of a construction contract can be estimated reliably, contract revenue and profits associated with the construction contract are recognised by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. An expected loss on the construction contract is recognised as an expense immediately. The construction contracts have operating cycles longer than one year. The Group includes in current assets and current liabilities for amounts relating to the construction contracts realisable over a period in excess of one year.

Revenue from residential development properties:

Management uses surveys of work performed method to determine the stage of completion of the residential property under development. The stage of completion is applied on a cumulative basis in each accounting period to the current estimates of revenue and costs of residential development property. Changes in the estimate of revenue or costs, or the effect of a change in the estimate of the outcome of a residential development property could impact the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods. Such impact could potentially be significant. Significant judgement is required in estimating reasonable amounts of variation claims to be recognised as cost in project budgets and in determining if the Group has to make provisions for any potential liquidated damages exposure and other losses.

Provision for foreseeable losses on development properties:

The Group's accounting policy on development properties requires known or anticipated losses on the development projects to be provided for in the reporting year in which such losses are determined. Estimating such losses requires the Group to make an estimate of the expected selling price of the unsold development properties based on recent transactions or open market valuation of the unsold units. The Group also estimates the total development costs to determine the extent of the anticipated losses, if any. Changes in the estimated selling price of the development properties due to market conditions and revisions of the total estimated development costs will therefore impact the anticipated losses recognised, and therefore provision for foreseeable losses on development properties could be revised.

2. Summary of Significant Accounting Policies (cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Allowance for doubtful trade receivables:

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 17 on trade and other receivables.

Income tax amounts:

The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management's judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 10 on income tax.

Property, plant and equipment:

An assessment is made at each end of the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units, if applicable, is measured based on the fair value less cost of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is $14,004,000 (2012: $15,016,000).

Useful lives of plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions.

The depreciation charge is increased where useful lives are less than previously estimated useful lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is approximately $7,923,000 (2012: $9,493,000).

In the reporting year 2012, the useful lives of certain assets were revised. As a result of this review, the estimated useful lives of certain assets have been reduced to "20% and 100%" from "10%". The change in estimates increased the depreciation charges for the reporting year 2012 by $2,554,000.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures 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 reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The ultimate controlling party is Mr Goh Yeow Lian.

3.1 Related companies:

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3.2 Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2013	**2012**
	$'000	**$'000**
Housing developer's licence expense	–	25
Professional fee expenses	213	42
Project management fee expenses	342	422
Rental income	(26)	(48)
Accounting and administrative services income	(5)	(5)

3.3 Key management compensation:

Key management personnel include the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and their remuneration are as follows:

	Group	
	2013	**2012**
	$'000	**$'000**
Salaries and other short-term employee benefits	5,030	16,178
Employer's contributions to defined contribution plan	104	101
	5,134	16,279

3. Related Party Relationships and Transactions (cont'd)

3.3 Key management compensation (cont'd):

The above amounts are included under employee benefits expenses. Included in the above amounts are the following items:

	Company	
	2013	2012
	$'000	$'000
Remuneration of Directors of the Company	3,207	13,870
Fees to Directors of the Company	180	150
	3,387	14,020

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

Compensations paid to close family members of Directors:

	Group	
	2013	2012
	$'000	$'000
Salaries and other short-term employee benefits	799	710
Employer's contributions to defined contribution plan	85	75
	884	785

3.4 Other payables to related parties:

The trade transactions and the related payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other payables to related parties are as follows:

	Group	
	2013	2012
	$'000	$'000
Balance at beginning of the year	49,420	11,600
Loans	4,800	49,420
Settlements	(25,585)	(11,600)
Balance at end of the year	28,635	49,420

4. Revenue

	Group	
	2013	2012
	$'000	$'000
Amount recognised from construction contracts	211,016	243,911
Sale of development properties	110,556	221,828
	321,572	465,739

5. Other Credits and (Other Charges)

	Group	
	2013	2012
	$'000	$'000
Bad debts written off	(25)	(65)
Gain on disposal of investment property	–	568
Gain on disposal of scrap material	172	175
Customer deposits forfeited	–	38
(Loss)/Gain on disposal of plant and equipment	(1)	16
Plant and equipment written off	(16)	(2)
Impairment of goodwill	(1)	–
Government grants	90	203
Other gains	101	192
Net	320	1,125
Presented in profit or loss as:		
Other credits	363	1,192
Other charges	(43)	(67)
Net	320	1,125

6. Marketing and Distribution Costs

The major components include the following:

	Group	
	2013	2012
	$'000	$'000
Advertisements	20	960
Stamp duties	–	238
Marketing expenses	14	1,241
Commissions	203	6,754

7. Administrative Expenses

The major components include the following:

	Group	
	2013	2012
	$'000	$'000
Professional fees	1,144	216
Rental of premises	2,539	475
Depreciation of property, plant and equipment (Note 13)	3,682	4,073
Employee benefits expenses	8,820	18,363

8. Finance Costs

	Group	
	2013	2012
	$'000	$'000
Bank interest expenses	2,595	3,507
Interest expenses in finance lease	2	4
Less: amounts capitalised in development properties (Note 15)	(2,541)	(3,480)
Total interest expenses	56	31

9. Employee Benefits Expenses

	Group	
	2013	2012
	$'000	$'000
Short-term employee benefits expenses	24,261	32,431
Employer's contributions to defined contribution plan	1,011	856
	25,272	33,287
Presented in profit or loss as:		
Cost of work done	16,452	14,924
Administrative expenses	8,820	18,363
Total	25,272	33,287

10. Income Tax

10A. Components of tax expense (benefit) recognised in profit or loss include:

	Group	
	2013	2012
	$'000	$'000
Current tax expense:		
Current tax expense	3,014	20,976
Adjustments to tax in respect of prior periods	(383)	4
Subtotal	2,631	20,980
Deferred tax expense (benefit):		
Deferred tax expense (benefit)	2,207	(2,621)
Adjustments to deferred tax in respect of prior periods	4	18
Subtotal	2,211	(2,603)
Total income tax expense	4,842	18,377

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2012: 17%) to profit or loss before tax as a result of the following differences:

10. Income Tax (cont'd)

10A. Components of tax expense (benefit) recognised in profit or loss include (cont'd):

	Group	
	2013	2012
	$'000	$'000
Profit before tax	30,496	111,290
Income tax expense at the above rate	5,184	18,919
Not deductible (not liable to tax) items	182	(452)
Tax exemptions	(164)	(108)
Adjustments to tax in respect of prior periods	(383)	4
Adjustments to deferred tax in respect of prior periods	4	18
Other minor items less than 3% each	19	(4)
	4,842	18,377

There are no income tax consequences of dividends to owners of the Company.

10B. Deferred tax recognised in profit or loss include:

	Group	
	2013	2012
	$'000	$'000
Excess of net book value of plant and equipment over tax values	58	(113)
Unrealised profit - intragroup	(644)	493
Marketing expenses	–	(2,283)
Deferred income	24	–
Provisions	(1,157)	(362)
Profits recognised on residential development properties based on stage of completion method	4,763	343
Tax losses carryforwards	(833)	(681)
Total deferred tax recognised in profit or loss	2,211	(2,603)

10. Income Tax (cont'd)

10C. Deferred tax balance in the statement of financial position:

	Group	
	2013	2012
	$'000	$'000
Deferred tax liabilities:		
Excess of net book value of plant and equipment over tax values	909	851
Profits recognised on residential development properties based on stage of completion method	5,106	343
Deferred income	24	–
Total deferred tax liabilities	6,039	1,194
Deferred tax assets:		
Unrealised profit - intragroup	(795)	(151)
Provisions	(1,778)	(621)
Marketing expenses	(2,283)	(2,283)
Tax losses carryforwards	(2,678)	(1,845)
Total deferred tax assets	(7,534)	(4,900)
Net total of deferred tax assets	(1,495)	(3,706)
Presented in the statement of financial position:		
Deferred tax assets	(1,495)	(3,706)

It is impracticable to estimate the amount expected to be settled or used within one year.

The realisation of the future income tax expenses (benefits) from tax losses carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

11. Dividends on Equity Shares

	Per ordinary share		Group and Company	
	2013	2012	2013	2012
	$	$	$'000	$'000
Final tax exempt (1-tier) dividend paid	0.01	0.01	9,106	6,819
Special tax exempt (1-tier) dividend paid	0.02	–	18,212	–
Interim tax exempt (1-tier) dividend paid	0.01	0.01	9,108	7,042
Total dividends paid in the year	0.04	0.02	36,426	13,861

In respect of the current reporting year, the Directors propose that a final dividend of 1 cent per ordinary share to be paid to shareholders after the forthcoming Annual General Meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the next Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend for 2013 is payable in respect of all ordinary shares in issue at the end of the reporting year and including the new qualifying shares issued up to the date the dividend becomes payable.

12. Earnings Per Share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

		Group	
		2013	2012
		$'000	$'000
A.	Numerators: earnings attributable to equity:		
	Continuing operations: attributable to equity holders	20,086	95,660
B.	Total basic earnings	20,086	95,660
C.	Diluted earnings	20,086	95,660
D.	Denominators: weighted average number of equity shares	**No: '000**	**No: '000**
	Basic	870,022	682,932
	Dilutive share warrants effect	22,729	40,217
E.	Diluted	892,751	723,149
	Basic earnings per share - cents	2.31	14.01
	Diluted earnings per share - cents	2.25	13.23

The weighted average number of equity shares refers to shares in circulation during the reporting year.

13. Property, Plant and Equipment

Group	Leasehold property	Furniture	Renovation and air-conditioners	Equipment and machinery	Motor vehicles	Computers	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:							
At 1 January 2012	2,719	282	428	11,827	432	601	16,289
Additions	4,323	1	–	3,974	101	329	8,728
Written off	(1,519)	–	(46)	(3)	–	(19)	(1,587)
Disposals	–	–	–	–	(16)	–	(16)
At 31 December 2012	5,523	283	382	15,798	517	911	23,414
Additions	1,065	283	434	846	–	60	2,688
Written off	–	–	–	(29)	–	(3)	(32)
Disposals	–	–	–	–	(17)	–	(17)
Transfers	–	–	–	(478)	478	–	–
At 31 December 2013	6,588	566	816	16,137	978	968	26,053
Accumulated depreciation:							
At 1 January 2012	1,519	192	374	2,869	372	600	5,926
Depreciation for the year	–	80	24	3,763	22	184	4,073
Written off	(1,519)	–	(46)	(1)	–	(19)	(1,585)
Disposals	–	–	–	–	(16)	–	(16)
At 31 December 2012	–	272	352	6,631	378	765	8,398
Depreciation for the year	507	28	40	2,894	34	179	3,682
Written off	–	–	–	(12)	–	(4)	(16)
Disposals	–	–	–	–	(15)	–	(15)
Transfers	–	–	–	(322)	322	–	–
At 31 December 2013	507	300	392	9,191	719	940	12,049
Net book value:							
At 1 January 2012	1,200	90	54	8,958	60	1	10,363
At 31 December 2012	5,523	11	30	9,167	139	146	15,016
At 31 December 2013	6,081	266	424	6,946	259	28	14,004

The depreciation expenses are charged under administrative costs. Certain item is under finance lease agreement (Note 24).

In the reporting year 2012, the useful lives of certain assets were revised. As a result of this review, the estimated useful lives of certain assets have been reduced to "20% and 100%" from "10%". The change in estimates increased the depreciation charges for the reporting year 2012 by $2,554,000.

14. Investment in Subsidiaries

	Company	
	2013	2012
	$'000	$'000
Cost at beginning of the year	17,714	17,714
Addition	N.M.	–
Fair value adjustment on interest free loan due from subsidiary	(69)	–
Cost at end of the year	17,645	17,714

The subsidiaries held by the Company and the Group are listed below:

Name of subsidiary	Principal activities	Effective percentage of equity held by Group		Cost in books of Company	
		2013	2012	2013	2012
		%	%	$'000	$'000
Held by the Company					
Wee Hur Construction Pte Ltd	General building and civil engineering construction	100	100	15,110	15,110
Wee Hur Development Pte. Ltd.	Investment holding	100	100	1,000	1,000
Wee Hur China Pte. Ltd. (struck off on 6 May 2013) #a	Dormant	–	100	–	N.M.
Wee Hur Dormitory Pte. Ltd. (incorporated on 18 October 2013) #a	Investment holding	100	–	N.M.	–
Held through Wee Hur Development Pte. Ltd.					
Wee Hur (Woodlands) Pte. Ltd.	Property development	100	100		
Wee Hur (Kaki Bukit) Pte. Ltd.	Property development	60	60		
Wee Hur (Paya Lebar) Pte. Ltd.	Property development	100	100		
Villas@Gilstead Pte. Ltd.	Property development	70	70		
Wee Hur (Kim Keat) Pte. Ltd.	Property development	100	100		
Wee Hur (Punggol Central) Pte. Ltd.	Property development	65	65		
Wee Hur–Lucrum Pte. Ltd.	Property development	51	51		
Held through Wee Hur Dormitory Pte. Ltd.					
Active System Engineering Pte. Ltd. (acquired on 23 October 2013)	Build and operate foreign workers' dormitories	60	–		

All of the subsidiaries are audited by RSM Chio Lim LLP, Singapore unless otherwise stated. All the subsidiaries are incorporated and operate in Singapore.

#a: Cost of investment is less than $1,000 and not audited as it is not material.

N.M.: Not material

15. Development Properties

	Group 2013 $'000	Group 2012 $'000
Cost of land, development and other charges and attributable profits less foreseeable losses	497,682	378,781
Less: progress billings received and receivables	(352,189)	(228,472)
	145,493	150,309
Included in the accompanying statement of financial position as follows:		
Development properties (Note 15A and 15B)	307,779	254,602
Progress billings received and receivables (Note 15B)	(162,286)	(104,293)
	145,493	150,309

Borrowing costs included in the development properties are as follows:

	Group 2013 $'000	Group 2012 $'000
Borrowing costs capitalised included in additions during the year	2,541	3,480
Accumulated borrowing costs capitalised	7,357	4,667

	Group 2013 Per annum	Group 2012 Per annum
Capitalisation rates	1.44% to 2.14%	1.60% to 2.08%

The development properties are mortgaged for credit facilities granted to the Group (Note 23).

15A. Residential Properties under Development

	Group 2013 $'000	Group 2012 $'000
Cost of land, development and other charges and attributable profits less foreseeable losses	339,472	275,050
Less: progress billings received and receivables	(189,903)	(124,179)
	149,569	150,871
Included in the accompanying statement of financial position as follows:		
Development properties	149,569	150,871

15. Development Properties (cont'd)

15B. Commercial Properties under Development

	Group	
	2013	2012
	$'000	$'000
Cost of land, development and other charges less foreseeable losses classified under development properties	158,210	103,731
Progress billings received and receivables	162,286	104,293

16. Asset Classified as Held for Sale

	Group and Company	
	2013	2012
	$'000	$'000
Cost at beginning of the year	–	3,882
Disposal	–	(3,882)
Cost at end of the year	–	–

The above relates to an investment property sold for a consideration of $4,450,000 in the reporting year 2012.

17. Trade and Other Receivables

17A. Other Receivables, Non-Current

	Company	
	2013	2012
	$'000	$'000
Loan receivable from subsidiary (Note 3)	–	11,554
Movements during the year:		
Balance at beginning of the year	11,554	11,036
Additions at cost	–	340
Settlements	(4,300)	–
Unwinding of imputed interest	107	178
Fair value adjustment on interest free loan due from subsidiary	69	–
Transfer to current assets	(7,430)	–
Balance at end of the year	–	11,554

The loan to subsidiary is with no fixed repayment terms, unsecured and interest free. The loan is subordinated to a non-current bank term loan of a subsidiary in the reporting year 2012. Interest is imputed at 1.62% (2012: 1.62%) per annum repriced semi-annually for cash flow discounting purposes, and is deemed to be repayable by one instalment in September 2014.

The bank term loan of the subsidiary has been reclassified to current (Note 23A) in the current reporting year. Accordingly, the above receivable was reclassified to current.

17. Trade and Other Receivables (cont'd)

17B. Trade and Other Receivables, Current

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade receivables:				
Outside parties	19,985	45,702	2	4
Subsidiaries (Note 3)	–	–	1,905	13,700
Retention sums on construction contracts (Note 20)	12,308	14,450	–	–
Subtotal	32,293	60,152	1,907	13,704
Other receivables:				
Related parties (Note 3)	5	5	–	–
Subsidiaries (Note 3)	–	–	28,709	14,390
Advances to staff	55	–	–	–
Other receivables	3,250	2,378	176	9
Subtotal	3,310	2,383	28,885	14,399
Total trade and other receivables	35,603	62,535	30,792	28,103

Included in trade receivables is an amount of approximately $25,046,000 (2012: $34,086,000) which has been assigned for banking facilities granted to the Group.

18. Other Assets, Current

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Deposits to secure services	8,286	30,373	4	–
Prepayments	471	18,421	23	20
Construction contracts in progress (Note 20)	14,345	15,672	–	–
	23,102	64,466	27	20

19. Cash and Cash Equivalents

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Not restricted in use	177,819	144,395	149,443	96,679
Cash under project accounts	64,610	52,920	–	–
Cash pledged for bank facilities	1,000	3,667	1,000	1,000
Cash at end of the year	243,429	200,982	150,443	97,679
Interest earnings balances	219,785	163,514	150,175	96,499

The rate of interest for the cash on interest earnings balances was between 0.07% and 1.05% (2012: 0.08% and 0.37%) per annum.

19. Cash and Cash Equivalents (cont'd)

Included in cash and cash equivalents of the Group are amounts held under project accounts under the Housing Developers (Project Account) Rules (the "Rules"). The use of amounts held under the project accounts is subject to restriction imposed by the Rules and approval from the bank where the project accounts are opened.

19A. Cash and Cash Equivalents in Consolidated Statement of Cash Flows:

	Group	
	2013	2012
	$'000	$'000
Amount as shown above	243,429	200,982
Cash pledged for bank facilities	(1,000)	(3,667)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	242,429	197,315

20. Construction Contracts in Progress

	Group	
	2013	2012
	$'000	$'000
Aggregate amount of costs incurred and recognised profits to date on uncompleted contracts	307,704	219,099
Less: progress payments received and receivables	(315,766)	(212,755)
Net amount due (to) from contract customers at end of the year	(8,062)	6,344
Included in the accompanying statement of financial position as follows:		
Under other assets, current (Note 18)	14,345	15,672
Under other liabilities, current (Note 26)	(22,407)	(9,328)
	(8,062)	6,344
Construction contract retention receivables as an asset under trade receivables (Note 17B)	12,308	14,450

21. Share Capital

	Group and Company			
	Number of shares	Treasury shares	Share capital	Total
		$'000	$'000	$'000
Ordinary shares of no par value:				
Balance at 1 January 2012	645,523,525	(892)	61,859	60,967
Issuance of ordinary shares each at $0.20 and $0.25 per share respectively pursuant to the exercise of warrants issue of the Company	94,937,637	–	20,585	20,585
Treasury shares purchased #a	(13,214,000)	(3,682)	–	(3,682)
Balance at 31 December 2012	727,247,162	(4,574)	82,444	77,870
Issuance of ordinary shares each at $0.25 per share pursuant to the exercise of warrants issue of the Company	184,009,398	–	45,884	45,884
Balance at 31 December 2013	911,256,560	(4,574)	128,328	123,754

21. Share Capital (cont'd)

During the reporting year, the Company issued 184,009,398 ordinary shares at $0.25 each to shareholders pursuant to the renounceable rights issue of warrants. These newly issued shares rank pari passu in all respects with the previously issued shares.

The ordinary shares each carry the right to one vote at a meeting of the members or on any resolution of members, the right to an equal share in any dividend paid by the Company in accordance with the Act and the right to an equal share in the distribution of surplus assets of the Company and all are fully paid.

Share Warrants – Warrants 2012 issued on 28 October 2009 have expired on 25 October 2012 with 467,047 warrants lapsed for conversion. Warrants 2014 outstanding at the end of the reporting year totalled 9,829,161 (2012: 193,838,559). Subsequent to the reporting year, there are 1,840,635 Warrants 2014 lapsed for conversion after the expiry date on 21 February 2014.

#a: As approved by general shareholder's meeting, 13,214,000 treasury shares were acquired at average price of $0.28 per share totalling approximately $3,682,000 during the reporting year 2012.

	Treasury shares			
			Fair value	
	2013	**2012**	**2013**	**2012**
	No: '000	**No: '000**	**$'000**	**$'000**
Number at beginning of the year	16,671	3,457	5,501	933
Number at end of the year	16,671	16,671	5,751	5,501

At an Extraordinary General Meeting held on 19 May 2009, the shareholders of the Company approved and adopted the Wee Hur Employee Share Option Scheme ("Wee Hur ESOS") and Wee Hur Performance Share Plan ("Wee Hur PSP"). Details of the Wee Hur ESOS and Wee Hur PSP can be found in the Company's circular to shareholders dated 23 April 2009 in relation to the proposed adoption of the Wee Hur ESOS and Wee Hur PSP.

At the end of the reporting year, no options and awards have been granted under the Wee Hur ESOS and Wee Hur PSP.

Capital Management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders; and to provide an adequate return to owners by pricing products and services commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital, reserves and retained earnings).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

21. Share Capital (cont'd)

Capital Management: (cont'd)

	Group 2013 $'000	Group 2012 $'000
Net debt:		
All current and non-current borrowings including finance lease	96,290	130,228
Less: cash and cash equivalents	(243,429)	(200,982)
Net debt	(147,139)	(70,754)
Adjusted capital:		
Total equity	213,159	183,543
Adjusted capital	213,159	183,543
Debt-to-adjusted capital ratio	NM	NM

NM: Not meaningful

The Group and the Company are not subject to externally imposed capital requirements other than mentioned in the following paragraph, and except for a subsidiary which has to have a minimum paid up capital and a minimum net worth of $15 million (2012: $15 million) in order to maintain its grading status with the Building and Construction Authority.

In order to maintain its listing on the SGXST, the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the Share Registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

22. Warrants Reserve

	Group and Company 2013 $'000	Group and Company 2012 $'000
At beginning of year	(77)	502
Exercise of warrants (net of issue expenses)	72	(576)
Transfer to retained earnings	–	(3)
At end of the year	(5)	(77)

Warrants reserve comprises proceeds from issue of warrants, net of direct issue expenses and amounts transferred to share capital upon exercise of warrants. Upon the expiry of the warrants, the balance of the warrants reserve representing the net proceeds from the issue of the warrants not exercised, will be transferred to retained earnings.

23. Other Financial Liabilities

	Group 2013 $'000	Group 2012 $'000
Non-Current:		
Financial instrument with floating interest rates:		
Bank loan 1 (secured) (Note 23A)	–	12,346
Bank loan 2 (secured) (Note 23B)	89,708	108,459
Financial instrument with fixed interest rates:		
Finance lease (Note 24)	–	26
Non-Current, total	89,708	120,831
Current:		
Financial instrument with floating interest rates:		
Bank loan 1 (secured) (Note 23A)	6,556	–
Bank loan 3 (secured) (Note 23C)	–	9,320
Financial instrument with fixed interest rates:		
Finance lease (Note 24)	26	77
Current, total	6,582	9,397
Total	96,290	130,228
The non-current portion is repayable as follows:		
Due within 2 to 5 years	89,708	120,831

The range of floating interest rates paid were as follows:

	Group 2013 Per annum	Group 2012 Per annum
Bank loan 1 (secured)	1.44% to 1.57%	1.60% to 1.61%
Bank loan 2 (secured)	2.07% to 2.14%	2.07% to 2.08%
Bank loan 3 (secured)	1.67% to 1.74%	1.67% to 1.77%

23A. Bank Loan 1 (Secured)

Bank loan 1 amounting to $6,556,000 (2012: $12,346,000) bears interest at 1.30% per annum over the Singapore Dollar SWAP offer rate or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid in one instalment on or after 30 September 2014, or 3 months after the date of the TOP in respect of a subsidiary's development property, whichever is earlier.

Bank loan 1 above is secured by:

(i) legal mortgage on a development property with an aggregate carrying amount of $38,938,000 (2012: $27,353,000);

(ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;

(iii) corporate guarantees given by the Company; and

(iv) cash pledged to bank of $1,000,000 (Note 19) to be maintained at all times.

23. Other Financial Liabilities (cont'd)

23B. Bank Loan 2 (Secured)

Bank loan 2 amounting to $89,708,000 (2012: $108,459,000) bears interest at 1.75% per annum over the bank's cost of funds or 1.75% per annum over the bank's SWAP offer rate as determined by the bank on the day of transaction, whichever is higher; or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid within 36 months from the date of first drawdown of the loan (namely 19 March 2012) or 3 months after the issuance of the TOP in respect of a subsidiary's development property, whichever is earlier.

Bank loan 2 above is secured by:

(i) legal mortgage on a development property with an aggregate carrying amount of $285,081,000 (2012: $232,244,000);

(ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;

(iii) guarantees given by certain Directors of the Company and certain related third parties; and

(iv) corporate guarantees given by the Company.

23C. Bank Loan 3 (Secured)

Bank loan 3 amounting to $9,320,000 in the reporting year 2012 bears interest at 1.35% per annum over the bank's cost of funds or 1.35% per annum over the bank's SWAP offer rate as determined by the bank on the day of transaction, whichever is higher; or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid within 36 months from the date of first drawdown of the loan (namely 15 December 2010) or 3 months after the issuance of the TOP in respect of a subsidiary's development property, whichever is earlier.

Notwithstanding the above terms, the bank has the right to vary, modify, suspend or cancel the banking facilities and/or to demand immediate repayment of all liabilities owing to the bank. The loan has been fully repaid during the reporting year.

Bank loan 3 above was secured by:

(i) legal mortgage on a development property with an aggregate carrying amount of $103,731,000 in the reporting year 2012;

(ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;

(iii) guarantees given by certain Directors of the Company and certain related third parties; and

(iv) corporate guarantees given by the Company.

During the reporting years ended 31 December 2013 and 31 December 2012, interest expenses on the term loans are capitalised as part of the cost of development properties (Note 15).

24. Finance Lease

	Minimum payments	Finance charges	Present value
	$'000	$'000	$'000
2013:			
Minimum lease payments payable:			
Due within one year	26	–	26
Total	26	–	26
Net book value of plant and equipment under finance lease			136
2012:			
Minimum lease payments payable:			
Due within one year	79	(2)	77
Due within 2 to 5 years	26	–	26
Total	105	(2)	103
Net book value of plant and equipment under finance lease			170

The lease term is for 3 years. The rate of interest for finance lease is approximately 3.26% (2012: 3.26%) per annum. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligation under finance lease is secured by the lessor's charge over the leased assets.

25. Trade and Other Payables, Current

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties	96,077	104,869	2,920	13,004
Related parties (Note 3)	30	29	–	–
Subsidiaries (Note 3)	–	–	58	–
Subtotal	96,107	104,898	2,978	13,004
Other payables:				
Related parties (Note 3)	28,635	49,420	–	–
Subsidiaries (Note 3)	–	–	55,725	32,415
Other payables	578	353	40	7
Subtotal	29,213	49,773	55,765	32,422
Total trade and other payables	125,320	154,671	58,743	45,426

26. Other Liabilities, Current

	Group	
	2013	2012
	$'000	$'000
Due to customers on construction contracts (Note 20)	22,407	9,328

27. Financial Instruments: Information on Financial Risks

27A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Financial assets:				
Cash and cash equivalents	243,429	200,982	150,443	97,679
Loans and receivables	35,603	62,535	30,792	39,657
At end of the year	279,032	263,517	181,235	137,336
Financial liabilities:				
Borrowings measured at amortised cost	96,290	130,228	–	–
Trade and other payables measured at amortised cost	125,320	154,671	58,743	45,426
At end of the year	221,610	284,899	58,743	45,426

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statements of financial position.

27B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risk. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following good market practices.

There has been no change to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27C. Fair Values of Financial Instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27. Financial Instruments: Information on Financial Risks (cont'd)

27D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed on the financial condition of the customers and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

As disclosed in Note 19, cash and cash equivalents' balances represent amounts with a less than 90 day maturity other than the amounts held by bankers to cover the bank guarantees issued.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade and other receivables' customers is generally on 14 to 35 days (2012: 14 to 35 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivables' amounts that are past due as at the end of the reporting year but not impaired:

	Group	
	2013	**2012**
	$'000	**$'000**
Trade receivables:		
Past due 1 – 30 days	3,782	5,781
Past due 31 – 60 days	34	–
Past due 61 – 90 days	147	–
Past due over 90 days	217	100
Total	4,180	5,881

As at the end of the reporting year, there were no amounts that were impaired.

Concentration of trade receivables' customers as at the end of the reporting year:

	Group	
	2013	**2012**
	$'000	**$'000**
Top 1 customer	16,492	15,464
Top 2 customers	20,064	25,140
Top 3 customers	23,528	34,524

27. Financial Instruments: Information on Financial Risks (cont'd)

27E. Liquidity Risk – Financial Liabilities Maturity Analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year	1 – 5 years	Total
	$'000	$'000	$'000
Non-derivative financial liabilities:			
2013:			
Gross borrowings commitments	8,718	90,142	98,860
Gross finance lease obligations	26	–	26
Trade and other payables	125,320	–	125,320
At end of the year	134,064	90,142	224,206
2012:			
Gross borrowings commitments	12,171	123,953	136,124
Gross finance lease obligations	79	26	105
Trade and other payables	154,671	–	154,671
At end of the year	166,921	123,979	290,900

Company	Less than 1 year	1 – 5 years	Total
	$'000	$'000	$'000
Non-derivative financial liabilities:			
2013:			
Trade and other payables	58,743	–	58,743
At end of the year	58,743	–	58,743
2012:			
Trade and other payables	45,426	–	45,426
At end of the year	45,426	–	45,426

Financial guarantee contracts - For financial guarantee contracts, the maximum earliest period in which the guarantee could be called is used. At the end of the reporting year, no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	Less than 1 year	1 – 5 years	Total
	$'000	$'000	$'000
2013:			
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	44,779	58,310	103,089
2012:			
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	43,050	82,844	125,894

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is normally on 30 to 35 days (2012: 30 to 35 days).

27. Financial Instruments: Information on Financial Risks (cont'd)

27E. Liquidity Risk – Financial Liabilities Maturity Analysis (cont'd)

The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Bank facilities:				
Undrawn borrowing facilities	196,245	141,195	–	–
Unused banker guarantees	56,563	42,327	10,037	2,037

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused borrowing facilities is provided regularly to management to assist them in monitoring the liquidity risk.

27F. Interest Rate Risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2013	2012
	$'000	$'000
Financial liabilities with interest:		
Floating rates	96,264	130,125
Fixed rate	26	103
At end of the year	96,290	130,228

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group	
	2013	2012
	$'000	$'000
Financial liabilities with interest:		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in borrowing costs capitalised for the year by	963	1,301

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

27. Financial Instruments: Information on Financial Risks (cont'd)

27G. Foreign Currency Risk

The foreign currency risk is not significant.

28. Items in Profit or Loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2013	**2012**
	$'000	**$'000**
Audit fees to the independent auditor of the Company	192	193
Other fees to the independent auditor of the Company	30	35

29. Capital Commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2013	**2012**
	$'000	**$'000**
Commitments to purchase property, plant and equipment	34	532

30. Operating Lease Payment Commitments

At the end of the reporting year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2013	**2012**
	$'000	**$'000**
Not later than one year	14,074	128
Later than one year and not later than five years	25,997	484
Later than five years	942	967
Rental expenses for the reporting year	2,539	475

Operating lease payments represent rentals payable by subsidiaries for their offices, warehouses and business operations as follows:

a) The lease from Jurong Town Corporation is for the period of 14.8 years from 1 March 2011 and ending on 31 December 2025. The rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

b) The lease from Housing Development Board is for the period of 1.8 years from 1 November 2012 and ending on 31 August 2014.

30. Operating Lease Payment Commitments (cont'd)

Operating lease payments represent rentals payable by subsidiaries for their offices, warehouses and business operation as follows: (cont'd)

c) The lease from Jurong Town Corporation is for the period of 3 years from 1 November 2013 and ending on 31 October 2016.

31. Operating Lease Income Commitments

At the end of the reporting year, the total of future minimum lease receivables commitments under non-cancellable operating leases are as follows:

	Group	
	2013	2012
	$'000	$'000
Not later than one year	24	24
Later than one year and not later than five years	48	7
Rental income for the reporting year	39	204

The Group leases out certain commercial properties under non-cancellable operating leases. Leases are negotiated for initial terms of 1 to 3 years with fixed rental rates.

32. Acquisition of Subsidiary

On 23 October 2013, the Group acquired 60% of the issued share capital of Active System Engineering Pte. Ltd. ("Active System") for cash consideration of $30,000 for the Group's share in the issued share capital of Active System. This transaction has been accounted for based on the acquisition method of accounting.

	Group	
	Acquiree's carrying amount	
	Before acquisition	At fair value
	$'000	$'000
Other receivables	1,157	1,157
Cash and bank balances	44	44
Other payables	(1,153)	(1,153)
Identifiable net assets	48	48
Less: non-controlling interests		(19)
Identifiable net assets acquired		29
Goodwill		1
Cash consideration for share capital of subsidiary acquired		30
Less: cash and bank balances of subsidiary acquired		(44)
Net cash inflow on acquisition of subsidiary		(14)

32. Acquisition of Subsidiary (cont'd)

The Group's revenue and profit from continuing operations, net of tax, included revenue and results from the subsidiary for the period between the date of acquisition and the end of the reporting year as follows:

	2013
	$'000
Revenue	–
Loss after tax	(2,161)

If the acquisition had taken place at the date of incorporation of the subsidiary (17 January 2013), the Group's revenue and profit from continuing operations, net of tax, for the reporting year 2013 would have included revenue and results from the subsidiary as follows:

	2013
	$'000
Revenue	–
Loss after tax	(2,162)

33. Financial Information by Operating Segments

33A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

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

(a) The building construction segment is in the business of constructing residential and commercial properties.

(b) The property development segment is in the business of developing and sale of residential and industrial properties.

(c) The dormitory segment is in the business of building and operating of foreign workers' dormitories.

(d) The investment holding segment is involved in Group-level corporate services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. The Group's business is derived solely from customers in Singapore and all of the Group's assets are located in Singapore.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured in the same way as operating profit or loss in the consolidated financial statements.

33. Financial Information by Operating Segments (cont'd)

33A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (cont'd)

The following is an analysis of the Group's reportable segments for the reporting year ended 31 December 2013:

Operating segment	Building construction	Property development	Dormitory	Investment holding	Elimination	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Profit or loss and reconciliation						
Revenue by segment	279,571	110,555	–	4,759	(73,313)	321,572
	279,571	110,555	–	4,759	(73,313)	321,572
Segment result	14,217	27,494	(2,556)	18,339	(24,346)	33,148
Interest income	56	162	–	985	(117)	1,086
Finance costs	(2)	(65)	–	–	11	(56)
Depreciation	(3,674)	–	–	(8)	–	(3,682)
Profit (Loss) before tax	10,597	27,591	(2,556)	19,316	(24,452)	30,496
Income tax (expense) benefit	(1,398)	(4,859)	394	248	773	(4,842)
Profit (Loss) after tax	9,199	22,732	(2,162)	19,564	(23,679)	25,654
Assets and reconciliation						
Segment assets	133,159	400,754	10,013	270,837	(189,351)	625,412
Total assets	133,159	400,754	10,013	270,837	(189,351)	625,412
Liabilities and reconciliation						
Segment liabilities	111,037	379,076	12,125	66,195	(159,116)	409,317
Total liabilities	111,037	379,076	12,125	66,195	(159,116)	409,317
Other material items and reconciliation						
Expenditure for non-current assets	2,673	–	–	15	–	2,688

33. Financial Information by Operating Segments (cont'd)

33A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (cont'd)

The following is an analysis of the Group's reportable segments for the reporting year ended 31 December 2012:

Operating segment	Building construction	Property development	Investment holding	Elimination	Consolidated
	$'000	$'000	$'000	$'000	$'000
Profit or loss and reconciliation					
Revenue by segment	288,968	221,828	17,250	(62,307)	465,739
	288,968	221,828	17,250	(62,307)	465,739
Segment result	15,159	105,197	119,052	(124,166)	115,242
Interest income	10	100	239	(197)	152
Finance costs	(5)	(26)	–	–	(31)
Depreciation	(4,072)	–	(1)	–	(4,073)
Profit before tax	11,092	105,271	119,290	(124,363)	111,290
Income tax (expense) benefit	(1,377)	(18,122)	1,616	(494)	(18,377)
Profit after tax	9,715	87,149	120,906	(124,857)	92,913
Assets and reconciliation					
Segment assets	118,546	419,237	242,111	(178,587)	601,307
Total assets	118,546	419,237	242,111	(178,587)	601,307
Liabilities and reconciliation					
Segment liabilities	95,624	418,423	56,562	(150,733)	419,876
Total liabilities	95,624	418,423	56,562	(150,733)	419,876
Other material items and reconciliation					
Expenditure for non-current assets	8,726	–	2	–	8,728

33B. Information About Major Customers

	Group 2013	Group 2012
	$'000	$'000
Top 1 customer in building construction segment	126,359	123,589
Top 2 customers in building construction segment	210,896	175,044
Top 3 customers in building construction segment	211,838	214,467

34. Changes and Adoption of Financial Reporting Standards

For the current reporting year, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendment to FRS 1 - Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 - Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised)
FRS 32	Amendment to FRS 32 - Financial Instruments: Presentation (Annual Improvements)
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

35. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows of the Group and Company for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 27	Consolidated and Separate Financial Statements (Amendments to)	1 Jan 2014
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)	1 Jan 2014
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)	1 Jan 2014
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112	1 Jan 2014
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.

Shareholders' Information

As at 13 March 2014

Number of Fully Issued and Paid Up Shares (excluding Treasury Shares)	:	919,245,086
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 Vote per Share
Treasury Shares	:	16,671,000

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 999	374	11.92	22,237	0.00
1,000 - 10,000	754	24.03	5,249,047	0.57
10,001 - 1,000,000	1,956	62.33	170,780,517	18.58
1,000,001 AND ABOVE	54	1.72	743,193,285	80.85
TOTAL	**3,138**	**100.00**	**919,245,086**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NUMBER OF SHARES	%
1	GSC HOLDINGS PTE. LTD.	349,159,000	37.98
2	CITIBANK NOMINEES SINGAPORE PTE LTD	54,342,872	5.91
3	DBS NOMINEES (PRIVATE) LIMITED	44,985,538	4.89
4	RAFFLES NOMINEES (PTE) LIMITED	35,448,229	3.86
5	UOB KAY HIAN PRIVATE LIMITED	21,697,506	2.36
6	GOH YEW TEE	20,720,416	2.25
7	GOH YEU TOH	20,191,257	2.20
8	CHENG KIANG HUAT	19,474,257	2.12
9	SUA NAM HENG	18,632,257	2.03
10	CIMB SECURITIES (SINGAPORE) PTE. LTD.	11,293,330	1.23
11	GOH YEW GEE	9,501,120	1.03
12	HSBC (SINGAPORE) NOMINEES PTE LTD	9,478,000	1.03
13	PHILLIP SECURITIES PTE LTD	7,930,338	0.86
14	GOH YEW LAY	6,919,560	0.75
15	LOW WOO SWEE @ LOH SWEE TECK	6,209,000	0.68
16	ONG GIM LOO	6,000,000	0.65
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,980,262	0.65
18	KUIK AH HAN	5,800,000	0.63
19	OCBC SECURITIES PRIVATE LIMITED	5,629,933	0.61
20	HONG LEONG FINANCE NOMINEES PTE LTD	5,210,000	0.57
	TOTAL	**664,602,875**	**72.29**

Shareholders' Information

As at 13 March 2014

SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2014

(As recorded in the Register of Substantial Shareholders as at 13 March 2014)

Substantial Shareholders	**Direct Interest**		**Deemed Interest**	
Name	**Number of Shares**	**%[(1)]**	**Number of Shares**	**%[(1)]**
Goh Yeow Lian [(2)]	–	–	396,894,872	43.18
GSC Holdings Pte. Ltd.	349,159,000	37.98	–	–

Notes:

(1) Based on the total number of issued ordinary shares of 919,245,086 (excluding treasury shares) as at 13 March 2014.

(2) Mr Goh Yeow Lian is deemed to have an interest in the 349,159,000 shares held through his interest in GSC Holdings Pte. Ltd.. Mr Goh is also deemed to have an interest in the 8,216,000 shares and the 39,519,872 shares held through his spouse, Mdm Tan Ah Hio (registered in the name of Citibank Nominees Singapore Pte Ltd) and Citibank Nominees Singapore Pte Ltd respectively.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the Register of Shareholders as at 13 March 2014, and to the best knowledge of the Company, the percentage of shareholding held in the hands of public is approximately 41.04%. Accordingly, the Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES

As at 13 March 2014, the number of treasury shares held is 16,671,000, representing 1.81% of the total number of issued ordinary shares excluding treasury shares.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Wee Hur Holdings Ltd. (the "Company") will be held on Friday, 25 April 2014 at 12.00 p.m. at Quality Hotel Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements of the Company and of the Group for the reporting year ended 31 December 2013 and the Independent Auditor's Report thereon. **Resolution 1**

2. To declare a final tax exempt (one-tier) dividend of $0.01 per ordinary share for the reporting year ended 31 December 2013. **Resolution 2**

3. To approve the payment of Directors' fees of $180,000 for the reporting year ending 31 December 2014, to be paid quarterly in arrears. (2013: $180,000) **Resolution 3**

4. To re-elect Mr Teo Choon Kow @ William Teo, a Director retiring pursuant to Article 107 of the Company's Articles of Association. [See Explanatory Note (a)] **Resolution 4**

5. To re-elect Mr Wong Kwan Seng Robert, a Director retiring pursuant to Article 107 of the Company's Articles of Association. [See Explanatory Note (b)] **Resolution 5**

6. To re-appoint RSM Chio Lim LLP as Independent Auditor and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

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

7. **Share Issue Mandate** **Resolution 7**

"That pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding 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 Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

   (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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 the Company; and

(4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (c)]

8. **Authority to Grant Awards and/or Issue Shares Pursuant to the Wee Hur Performance Share Plan and Wee Hur Employee Share Option Scheme** **Resolution 8**

"That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Wee Hur Performance Share Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Wee Hur Employee Share Option Scheme and/or such number of fully-paid shares as may be required to be issued pursuant to the vesting of awards under the Wee Hur Performance Share Plan, provided that the aggregate number of new shares to be issued pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time." [See Explanatory Note (d)]

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 7 May 2014 for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 up to the close of business at 5.00 p.m. on **6 May 2014** will be registered to determine shareholders' entitlement to the proposed Final Dividend (the "Proposed Dividend"). The Proposed Dividend, if approved, will be paid on 14 May 2014 to shareholders registered in the books of the Company on 6 May 2014.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the Proposed Dividend will be paid by the Company to CDP which will in turn distribute the Proposed Dividend entitlements to holders of shares in accordance with its practice.

By Order of the Board
Tan Ching Chek and Lo Swee Oi
Joint Company Secretaries

10 April 2014

Explanatory Notes:

(a) Mr Teo Choon Kow @ William Teo, if elected, will continue to serve as the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. Mr Teo Choon Kow @ William Teo is considered by the Board of Directors as an Independent Director for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(b) Mr Wong Kwan Seng Robert, if elected, will continue to serve as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Mr Wong Kwan Seng Robert is considered by the Board of Directors as an Independent Director for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(c) The Ordinary Resolution 7 proposed in item 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments (such as options, warrants and debentures) convertible into shares, and to issue shares pursuant to such instruments, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(d) The Ordinary Resolution 8 proposed in item 8, if passed, will empower the Directors to grant awards pursuant to the Wee Hur Performance Share Plan and to issue new ordinary shares in the capital of the Company pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan, provided that the aggregate number of new ordinary shares to be issued pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time. The Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan were approved by the shareholders at the Extraordinary General Meeting held on 19 May 2009.

Notes:

(i) A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

(ii) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than forty-eight (48) hours before the time set for the meeting.

(iii) The form of proxy must be signed by the appointor or his/her attorney duly authorised in writing.

(iv) In the case of joint shareholders, all holders must sign the form of proxy.

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WEE HUR HOLDINGS LTD.

Company Reg. No.: 200619510K
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING

PROXY FORM

Important

1. For investors who have used their CPF monies to buy Wee Hur Holdings Ltd. shares, this Annual Report is sent to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors, and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified **(Agent Banks: Please see Note 9 on required format)**. Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

I/We ______________________ (Name), ________________ (NRIC/Passport Number/Company Registration Number)

of ____ (Address)
being a member/members of Wee Hur Holdings Ltd. (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company (the "**Meeting**") to be held on Friday, 25 April 2014 at 12.00 p.m. at Quality Hotel Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	ORDINARY BUSINESS		
1.	Adoption of Reports and Audited Financial Statements.		
2.	Declaration of a Final Dividend.		
3.	Approval of Directors' Fees.		
4.	Re-election of Mr Teo Choon Kow @ William Teo.		
5.	Re-election of Mr Wong Kwan Seng Robert.		
6.	Re-appointment of Independent Auditor.		
	SPECIAL BUSINESS		
7.	To approve Share Issue Mandate.		
8.	To authorise Directors to Grant Awards and Issue Shares Pursuant to the Wee Hur Performance Share Plan and Wee Hur Employee Share Option Scheme.		

Dated this ____________ day of ________________ 2014.

Total Number of Shares Held	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all shares held by the member.

2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company no later than forty-eight (48) hours before the time appointed for the Meeting.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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