ANNUAL
REPORT
2017

FORGING AHEAD

Advancing our Growth Platform

偉合控股有限公司
WEE HUR HOLDINGS LTD

CONTENTS

Our VISION

To be one of the leading providers of reliable and quality construction services and to enlarge our presence in the real estate market in Singapore and beyond.

Our MISSION

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

步步为营
精益求精

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to update shareholders that the growth platforms which we have initiated in 2016 have made good progress in 2017. While we do not expect these positive developments to bring results immediately, we are optimistic that in the mid to long term, we can see the harvest from these ventures.

Progress in the Growth Platforms

One of our growth platforms, **Wee Hur PBSA Master Trust** ("**Trust**"), commenced its operation in 2017. We have transferred our 1st **Purpose-Built Student Accommodation** ("**PBSA**"), **UniLodge@Park Central** at Buranda Plot 1 into the Trust in June 2017. The construction of this PBSA, comprising 1,578 beds, is at its final stage and is expected to be ready for occupation by June 2018. Currently we are working closely with our appointed operator, UniLodge on marketing and ramping up the occupancy. We are excited to receive the first batch of students to our PBSA in 2018.

We acquired our **2nd PBSA** land parcel along **Gray Street**, **Adelaide** in August 2017. Construction work for this 2nd PBSA has commenced and is expected to complete in first quarter of 2019. I am also pleased to report that we have submitted to the relevant authority an application for development approval for a 900-bed PBSA for the freehold property along **A'Beckett Street, Melbourne** which was acquired recently. Construction work for our **3rd PBSA** is expected to commence towards the end of 2018.

The fundraising for the Trust is progressing well, having reached about 90% of the target of A$350 million. This put us in good stead to achieve our plan to develop and grow our targeted 5,000 PBSA beds in major cities of Australia. To date, the total number of PBSA beds in the pipeline already stands at approximately 3,250.

The other growth platform, **Wee Hur Capital Pte Ltd** which was set up in March 2017 as manager to the Trust has started to contribute revenue and profit in 2017.

Another growth platform which I have shared last year is the **Prefabricated Prefinished Volumetric Construction** ("**PPVC**") construction method which we are using in the construction of our co-development project, Parc Botannia. We are amongst the first few players in Singapore to undertake a PPVC project. Increasingly, authorities are mandating the use of PPVC method, hence the experience we gained in Parc Botannia, will give us a competitive edge in securing projects in future.

Update on Other Businesses

The Singapore residential property market has remained subdued in first half of 2017, turning more positively only towards the second half of the year. We rode on the upswing sentiment and officially launched our co-developed residential project, **Parc Botannia** in November 2017. We managed to achieve an assuring sales status of about 46% for this project at new benchmark price thus far. Separately, our industrial development project, **Mega@ Woodlands**, received its temporary occupation permit ("**TOP**") as we crossed into the first month of 2018. There are also signs of the industrial property market picking up recently. To date, we achieved an encouraging sales status of about 43%. For this project, we also offer an innovative scheme, the Rent-to-Own ("**RTO**") for potential buyers who prefer to lease the unit first and purchase later. The aggregate take-up rate has crossed more than 50% including these RTO units.

Recently, aggressive bids from developers for land through government land sales and collective sales have made the residential property market more challenging and risky. With this in mind, we have to take a prudent stance in any bidding of land parcels.

In December 2017, we entered into a put and call option agreement for the proposed sale of both plots of land straddling **Ann Street** and **Turbot Street** for A$79 million. This disposal if successful could possibly rake in a profit before tax of approximately S$10.2 million. The sales proceeds from this disposal can also be re-channelled to fund our present and potential investments in Australia.

In second half of 2017, we obtained the necessary permit and launched **Park Central One**, our first mixed residential-retail project, on Buranda Plot 3, Brisbane. Sales progress of Park Central One has been gradual as the residential property market in Brisbane has cooled down from its peak. We will continue our marketing effort to improve the sales. In view of the current residential property market condition, we are exploring other development options for **Park Central** on Buranda Plot 2 for a better return to our investment.

The competition in the local construction sector remained stiff in 2017. Despite the tough environment, we managed to clinch **four construction projects amounting to S$274.3 million** to replenish our order book. As at 31 December 2017, our construction order book, stood at approximately S$267.6 million, keeping us busy till FY2020.

We expect 2018 to remain challenging for the construction industry despite BCA's forecast of total construction demand for the year to be between S$26.0 billion and S$31.0 billion, a significant upswing from 2017. Nonetheless, we envisage that we should see some light at the end of the tunnel in 2019 from the recovery of property market and commencement of several large public projects.

The occupancy rate of our **Tuas View Dormitory** hovers around 85% amidst tense competition amongst dormitories. We will continue our effort to improve the occupancy rate.

Financial Performance and Dividends

For the financial year ended 31 December 2017 ("**FY2017**"), our profit to shareholders improved by 8% to S$18.7 million. We are proposing a final cash dividend of 0.3 cent per share. Adding the interim dividend of 0.3 cent per share, the total dividend for FY2017 will amount to 0.6 cent per ordinary share, or approximately S$5.5 million in total dividends, representing a payout ratio of about 29.4%.

Giving back to Society

At Wee Hur, we take heart in giving back to our society. This year we set up our own corporate social responsibility ("**CSR**") committee to facilitate and encourage greater community involvement in various meaning ways.

Our CSR Committee, in collaboration with Hope Centre initiated the "**Tables with Love**" to provide tables and chairs for schooling children of lower income families. We also have active participation from management and staff in a run event "**Unlabelled Run 2017**" organised by The New Charis Mission.

Our Group donated an endowed gift of S$150,000 to set up Wee Hur Scholarship with National University of Singapore.

Outlook Ahead

Our local businesses will continue to contribute significantly to our revenue and profit over the next few years. With the good progress of our overseas investment, we are optimistic of a brighter outlook for the Group.

Appreciation

I am thankful to our shareholders, business associates, consultants, sub-contractors, suppliers, staff and other stakeholders that have supported us and contributed in making our progress possible. I am also grateful to the Board for their guidance and support. Let us all work hard to bring bigger harvest to Wee Hur.

GOH YEOW LIAN
Executive Chairman and Managing Director

主席致辞

尊敬的各位股东,

我很欣喜地向股东汇报,我们于2016年建立的增长平台在2017年取得良好的进展。虽然我们不期望这些新业务会带来立竿见影的成果,但对其中长期的展望与回报,保持乐观。

增长平台的进展

我们其中一个增长平台—律合学生宿舍信托(简称「信托」)已于2017年开始运作。2017年6月,我们把位于布里斯班 **Buranda** 的首个学生宿舍注入信托(简称「**PBSA**」)。此项PBSA拥有1,578床位,目前处于最后施工阶段,预计2018年6月之前竣工。目前我们正与管理公司UniLodge积极展开行销与筹备工作来迎接首批入驻我们首个PBSA的学生!

2017年8月,我们购买了位于阿德莱德 **Gray Street** 的第二幅 PBSA 地段。这项 PBSA 的工程建设已启动,预计将于2019年第一季完工。最近,我们刚完成了第三幅 PBSA 地段的收购,这幅地段位于墨尔本 **A'Beckett Street**。我们已向有关机构提交开发900 PBSA 床位的申请书。预计建设工程将于2018年年底前展开。

信托集资进展顺利。到目前为止,已达到目标(3.5亿澳元)的90%。有了这些资金,我们有信心完成在澳大利亚主要城市开发 5,000 PBSA 床位的目标。迄今为止,我们所收购的三幅 PBSA 地段可提供 3,250床位。

成为信托经理的 **Wee Hur Capital Pte Ltd**, 是我们在2017年3月成立的另一个增长平台,也开始对业绩做出贡献。

在 **Parc Botannia** 这个住宅项目,我们采用了预制预饰体积建筑(“**PPVC**”)施工法。该施工法是我们的另一个增长平台。我们是新加坡首批承建 PPVC 项目的少数承包商之一。预计有关机构会规定更多项目采用 PPVC 施工。我们在 Parc Botannia 所得到 PPVC 经验将会加强我们在投标工程的优势。

其他业务的进展

新加坡住宅产业市场在2017年上半年还处于低迷状态，下半年才扭转颓势，呈现回升的趋势。趁着市场回稳，我们于2017年11月开始 **Parc Botannia**的销售。迄今为止，我们已经达到约46%的销售额。此外，我们的工业发展项目 **Mega @ Woodlands**也于2018年1月取得临时入伙证（“**TOP**”）。最近，工业房产市场也出现复苏迹象。至今，此项目的销售已达到43%。这个项目，我们也推出先租后买（“**RTO**”）的创新方案來吸引更多潜在买家。包括这些 RTO 单位在内，总体销售率超过了50%。

近期，发展商纷纷以高价收购住宅地段，使住宅市场面临更大的挑战和风险。有鉴于此，我们在投标任何地段时，都需审慎行之。

在海外业务方面，我们在2017年12月以7,900万澳元出售 **Ann Street** 和 **Turbot Street** 两幅地皮。该脱售如若成功，可带来约1,020万元的税前利润。此次脱售所得也可用于资助现有与潜在澳大利亚投资。

在2017年的下半年，我们开始 **Park Central One** 的销售，这个项目位于布里斯班 Buranda 第三幅地段。由于布里斯班住宅房产市场开始从高峰期滑落，Park Central One 的销售进度缓慢。我们将继续加强行销，提高销售额。至于 Buranda 第二幅地段的 **Park Central**，鉴于目前的住宅产业市场状况，我们正在探索其它的发展方案，以期获得更好的投资回报。

2017年本地建筑业仍面临着激烈的竞争。尽管环境艰难，我们仍然标得4个建设项目，总额达2.743亿新元。截至2017年12月31日，我们的建筑订单总值约2.676亿新元，所有工程会在2020年前完成。

虽然BCA预测2018年建筑总需求会在260亿至310亿新元之间，与2017年相比上涨幅度颇大，但我们认为建筑行业在2018年仍面临艰巨的挑战。由于楼市复苏和几个大型公共项目的启动,我们预计这行业在2019年能见曙光。

我们的大士景观宿舍（**Tuas View Dormitory**）的入住率维持在85%左右。这行业的竞争仍然激烈，我们会继续努力，提高入住率。

财务表现与股息

截至2017年12月31日的财政年度净利润为1,870万新元，增幅达8%。我们建议派发每股0.3分的末期股息。加上每股0.3分的中期股息，2017年财政年度总股息为每股0.6分，约合550万新元。派息率29.4%。

回馈社会

我们成立了企业社会责任（**CSR**）委员会，來安排和鼓励员工参与社区活动。

在2017年，我们与希望中心（**Hope Centre**）合作，为低收入家庭的儿童提供桌椅，打造适宜的学习环境。我们的董事和员工还参与新颂恩宣道中途之家（**New Charis Mission**）慈善活动。此外我们也捐赠S$150,000,给新加坡国立大学,成立伟合奖学金。

前景

我们的本地业务，在未来几年将会继续为集团的营收和利润做出贡献。我们的海外投资进展良好，对集团的前景，我们感到乐观。

感谢团队

我在此感谢股东多年来的支持，也要感谢业务伙伴、顾问团、承包商、供应商、全体员工对集团发展所做出的贡献。对董事会的指导和支持，我深表谢意。让我们一起努力为伟合带来更大收益。

吴友仁
执行主席兼董事经理

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

Teo Choon Kow @ William Teo
Lead Independent Director

Wong Kwan Seng Robert
Independent Director

Goh Yew Gee
Non-Executive Director

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 and dormitory business. 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 PSL Holdings Limited. He is also a director of Ascendent Technology 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.

SENIOR MANAGEMENT

Lim Poh Choo, Janet
Chief Financial Officer

Lim Poh Choo is our Chief Financial Officer of the Group. She is responsible for the risk management, finance, and accounting functions. Apart from being the main liaison with the internal and external auditors, she is also involved in legal, corporate secretarial and all taxation matters. She has been with the Group since 2016.

She holds a Master of Professional Accounting from the University of Southern Queensland. She is a member of the Institute of Singapore Chartered Accountants and CPA Australia. She is also an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals.

Gaw Chu Lan
Director, Administration and Finance

Gaw Chu Lan is our Director, Administration and, Finance of the Group. She is responsible for the overall administrative and finance functions include overseeing the finance, administrative and human resources matter. She has been with the Group since 1985.

Koh Chong Kwang
Director, Project

Koh Chong Kwang is our Director, Project of Wee Hur Construction Pte Ltd. He is responsible for the overall project management functions 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.

Sua Chen Shiua
Director, Tender and Contract

Sua Chen Shiua is our Director, Tender and Contract of Wee Hur Construction Pte Ltd. He is responsible for the overall tender and contract functions include identifying and securing new projects and overseeing the execution of contract administration for secured projects. He has been with the Group since 2000.

He holds a Bachelor of Science (Building) degree from National University of Singapore.

Lu Tze Chern, Andy
Deputy Director, Project

Lu Tze Chern, Andy is our Deputy Director, Project of Wee Hur Construction Pte Ltd. His responsibilities include overseeing the execution of projects from commencement till completion including maintenance period. He has been with the group since 2006.

He holds a Bachelor of Science in Civil Engineering degree from Purdue University, USA.

Goh Cheng Huah
Director, Investment and Development

Goh Cheng Huah is our Director, Investment and Development of Wee Hur Capital Pte Ltd with effect from 1 July 2017. He is responsible for overseeing the acquisition, design development and construction of assets under Wee Hur PBSA Master Trust. He also involves in local and overseas property development business of the Group. He has been with the Group since 1989.

Goh Cheng Huah has accumulated more than 30 years of experience in the construction and property development industries. He holds a Bachelor of Engineering (Civil Engineering) from the National University of Singapore.

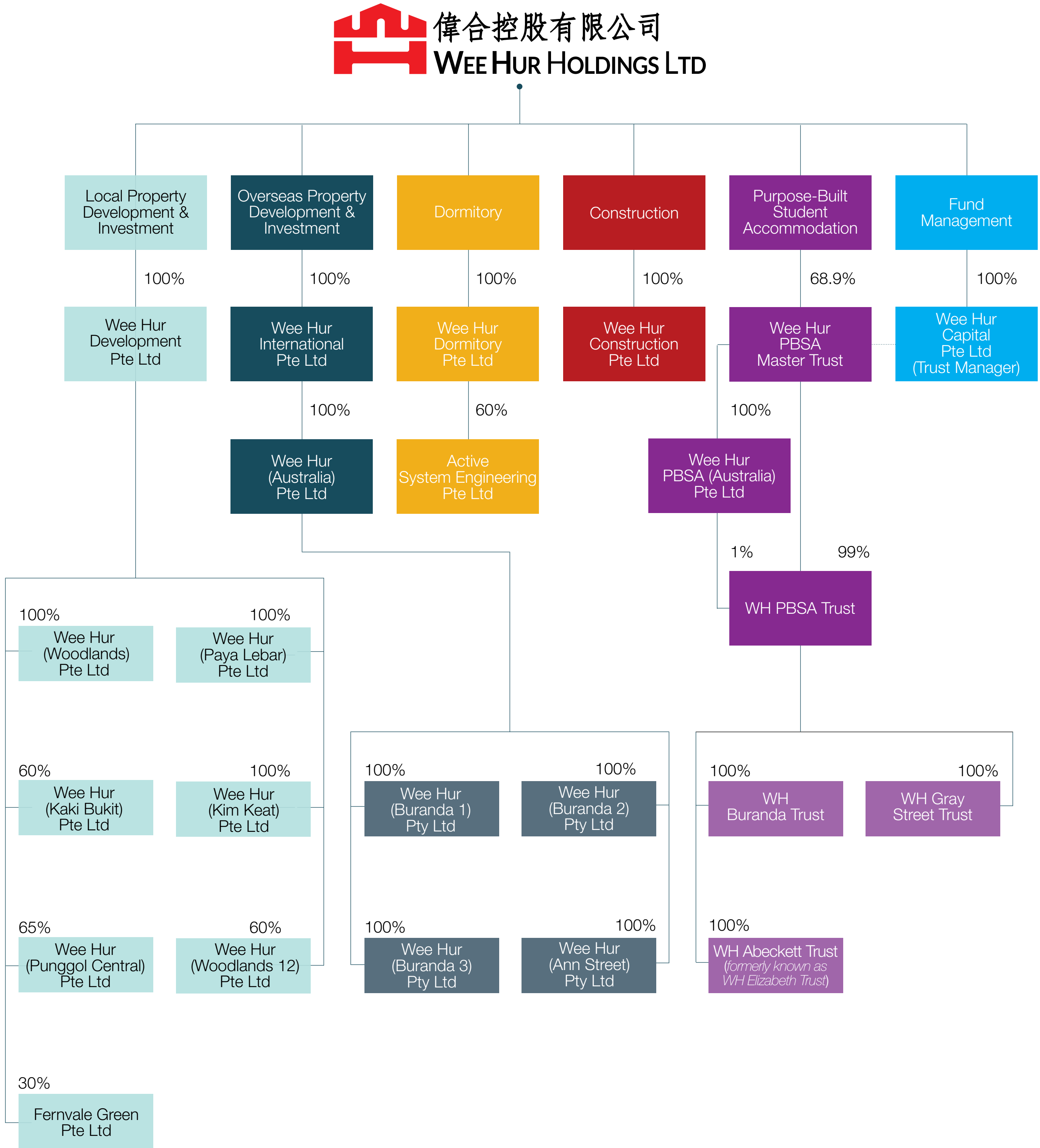
Goh Wee Ping
Chief Executive Officer

Goh Wee Ping is our Chief Executive Officer of Wee Hur Capital Pte Ltd with effect from 1 July 2017. He is responsible for overseeing all aspects of Wee Hur PBSA Master Trust include fund-raising, acquisition & divestment, development, operations, asset management, business development and investor relations.

Goh Wee Ping has more than 6 years of experience in the construction and property development industry. He was instrumental in the Group's entry into Australia and has accumulated broad experience and acute knowledge on Purpose-Built Student Accommodation as an asset class in Australia. He holds a Bachelor of Engineering (Civil Engineering) from the National University of Singapore.

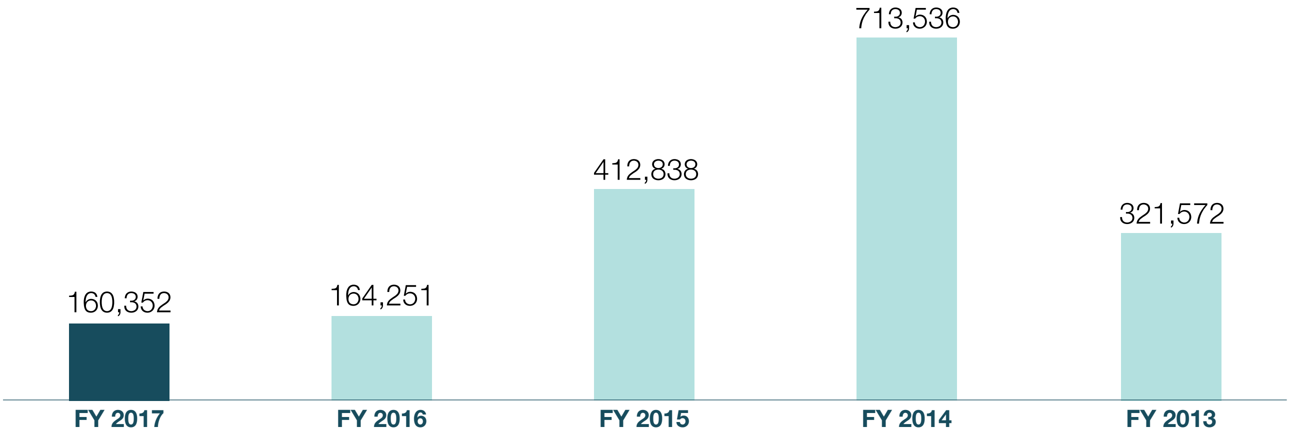
GROUP STRUCTURE

AS AT 15 MARCH 2018



FIVE-YEAR FINANCIAL SUMMARY

REVENUE (S$'000)



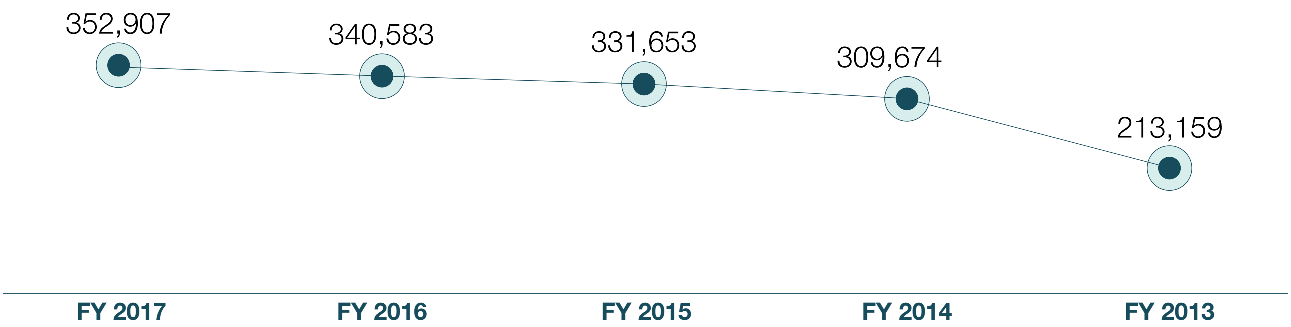
CONSOLIDATED INCOME STATEMENT

	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Revenue (S$'000)	**160,352**	164,251	412,838	713,536	321,572
Gross Profit (S$'000)	**38,180**	36,090	104,574	255,577	48,406
Net Profit after Tax (S$'000)	**18,773**	17,399	65,538	182,366	25,654
Net Profit Margin	**11.7%**	10.6%	15.9%	25.6%	8.0%
Net Profit attributable to Shareholders (S$'000)	**18,670**	17,267	47,020	112,257	20,086
Dividend Payout (S$'000)	**5,516^**	5,516	13,789	27,577	18,300
Dividend Payout Ratio	**29.5%^**	31.9%	29.3%	24.6%	91.1%
Earnings Per Share (cent)*	**2.03**	1.88	5.12	12.23	2.31

* Basic earnings per share are calculated by dividing net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the financial years (excluding treasury shares and subsidiary holdings).

^ Included proposed final cash dividend of 0.3 cent per ordinary share, subject to shareholders' approval at the FY2017 Annual General Meeting.

SHAREHOLDERS' EQUITY (S$'000)



CONSOLIDATED BALANCE SHEET

(S$'000)	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Non-current Assets	**257,406**	207,683	84,577	86,908	15,499
Current Assets	**592,285**	496,475	617,086	654,647	609,913
Cash and Cash Equivalents	**151,015**	150,874	158,176	259,892	243,429
Current Liabilities	**405,376**	298,301	198,858	268,074	319,609
Net Current Assets	**186,909**	198,174	418,228	386,573	290,304
Share Capital	**125,733**	125,733	125,733	125,733	123,754
Retained Profits	**225,830**	212,675	205,023	183,282	89,410
Shareholders' Equity	**352,907**	340,583	331,653	309,674	213,159
Total Equity	**347,917**	342,245	373,142	339,107	216,095

GROUP FINANCIAL HIGHLIGHTS

	FY 2017	FY 2016	Inc/(Dec)
	S$'000	**S$'000**	**%**
For the Year			
Revenue	**160,352**	164,251	(2)
Gross Profit	**38,180**	36,090	6
Gross Profit Margin	**23.8%**	22.0%	8
Net Profit Before Tax	**25,644**	23,506	9
Net Profit After Tax	**18,773**	17,399	8
Net Profit Margin	**11.7%**	10.6%	11
Net Profit Attributable to Shareholders	**18,670**	17,267	8
At 31 December:			
Shareholders' Equity	**352,907**	340,583	4
Total Equity	**347,917**	342,245	2
Total Assets	**849,691**	704,158	21
Per Share:			
Earnings Attributable to Shareholders (cent)	**2.03**	1.88	9
Net Asset Value	**0.38**	0.37	2
Per Share:			
Interim Dividend (cent)	**0.30**	0.30	-
Final Dividend (cent)	**0.30**	0.30	-

OPERATIONS REVIEW

Local Property Development Business

MEGA@Woodlands:

An 8-storey ramp-up/flatted industrial development for B1 clean and light and B2 general industry comprising 512 units with a 30-year lease at Woodlands Avenue 12. MEGA@Woodlands has features such as 5.95-metre floor height, 20/40-foot container access, ample parking lots and fibre optic ready. Apart from amenities like canteens, minimart and clinic, this mega industrial complex incorporates work-life balance amenities such as a sky garden and a sky lounge at the roof top. The sky garden has water features, outdoor fitness stations, BBQ pits and jogging trail whereas the sky lounge consists of a gym with shower facility and a business centre with meeting rooms of different sizes. The Group launched the sales of this project in January 2016 and Temporary Occupation Permit was obtained in January 2018. Sales has been gradual but encouraging with 43% sold as at March 2018. The Group also offers rent-to-own (RTO) scheme for this project. The total take-up rate has crossed 50% including the RTO units.

Parc Botannia:

This is a 99-year leasehold condominium development with a gross floor area of about 51,588 square metres, yielding 735 units. Located next to Thanggam LRT station, Parc Botannia is surrounded by lush greenery and yet is well-connected via train and expressway. Nearby amenities include Jalan Kayu food street, Seletar Mall and Greenwich V, as well as recreational facilities such as OVAL@Seletar, Aerospace Park and Seletar Riverside Park. This condominium offers 1- to 5-bedders and has amenities such as clubhouse, swimming pool, gym, arrival lounge and many others. This project was officially launched in November 2017. Thus far, the sales status is healthy with 46% sold as at March 2018. The construction work has commenced and is expected to complete by 2020. The Group has a 30% interest in this development project.

Overseas Property Development and Investment Business

The Group has acquired three plots of land at Buranda, Brisbane in 2014. The progress of each plot is as follows:

Buranda Plot 1:
This plot has been transferred to Wee Hur PBSA Master Trust. A 1,578-bed PBSA is currently being built.

Buranda Plot 2:
The largest plot of the three, named **Park Central**, comprising mainly residential units and sizable commercial spaces. We are currently exploring suitable development options for this land parcel in view of slow residential market in Brisbane.

Buranda Plot 3:
This is the smallest of the three plots of land, named **Park Central One**, comprising a residential apartment building of 168 units with commercial spaces at ground floor. The Group has launched **Park Central One** and sales progress has been gradual. The Group will continue its marketing effort to improve the sales.

Lot 1-Ann Street and Lot 2-Turbot Street :
In December 2017, the Group entered into a put and call option agreement for the proposed sale of both plots of land for A$79 million. The book value of this property as at 31 December 2017 is S$72.1 million. If the disposal of this property is successful, the Group could possibly rake in a profit before tax of approximately S$10.2 million in this disposal based on an exchange rate of 1.042.

Purpose-built Student Accommodation ("PBSA")

Wee Hur PBSA Master Trust (the "**Trust**") was constituted in December 2016 with the aims to build a portfolio of 5,000 PBSA beds in major cities of Australia. As of March 2018, the total amount of committed funds stands at about 90% of the target of A$350 million and the Trust has acquired three land parcels which could develop approximately 3,250 PBSA beds. The status of the three land parcels are as follows:

UniLodge@Park Central, Brisbane (Buranda Plot 1):

The transfer of this under-construction property was completed in June 2017. The construction of this 1,578-bed PBSA is expected to complete in the first half of 2018. The Group is currently working closely with its appointed operator, UniLodge, on marketing and ramping up the occupancy for the second half of 2018.

Gray Street, Adelaide:

The land parcel was acquired in August 2017 for A$5.45 million. Development Approval for this 772-bed PBSA was obtained in November 2017. Construction work has commenced in November 2017 and is expected to complete in first quarter of 2019.

A'Beckett Street, Melbourne:

The acquisition of this A$35 million property was completed in March 2018. There is already a development permit granted on this site for the development of residential apartments. The Group has submitted an amendment to the existing permit to develop a PBSA of approximately 900-bed. Subject to getting the relevant authority approvals, the Group is on track to commence construction of the PBSA by the last quarter of 2018.

Construction Business

As at 31 December 2017, the Group's construction order book, stood at approximately S$267.6 million, providing the Group with continuous construction activities through FY2020.

<u>Project Completed in 2017 and in 1Q2018</u>

Fernvale Riverwalk

Mega@Woodlands

Matilda Court

5-Storey Warehouse

Church of Our Saviour

MEGA@Woodlands:
This is the Group's own industry property development project, an 8-storey ramp-up/flatted industrial building.

Fernvale Riverwalk:
A S$103.6 million HDB project which involves the construction of four residential blocks and a multi-storey car park at Sengkang Neighbourhood 4. This precinct has 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, minor sewers and roadside drains.

Matilda Court:
A mega HDB precinct with a contract value of S$157.7 million comprising ten residential blocks, a multi-storey car park, linkways, roof gardens, driveways, service roads and landscaping works at Punggol West. This precinct also has a commercial block which houses shops, eateries and supermarket, and other communal facilities.

5-storey warehouse:
This is a S$82.2 million contract to design and construct a single user 5-storey warehouse with an industrial canteen at Pioneer Road for Mapletree Logistics Trust.

Church of Our Saviour:
This is a S$19.9 million contract for additions, alterations and extension to existing 3-storey church building involving a 4-storey extension with roof terrace and 4 levels of basement at Margaret Drive.

New Projects Secured

Parc Botannia

Workshop,
Car Showroom and
Ancillary Office

St. John's -
St. Margaret's Church

Parc Botannia:
This is the Group's own residential property co-development project, a 735 units condominium.

PUB WaterHub:
This is a S$22.8 million redevelopment of WaterHub project involving the erection of a 6-storey office block and additions and alterations to the existing WaterHub Building at Toh Guan Road East. Work on this project commenced in March 2017 and is expected to complete in mid-2018.

Workshop, Car Showroom and Ancillary Office:
This is a S$62 million building project from Stuttgart Auto Pte Ltd covering the erection of a 8-storey single user factory with 3 levels of basement carpark, and comprising car workshops and showrooms, as well as ancillary offices at Kung Chong Road and Chang Charn Road in Leng Kee area. Work has commenced in May 2017 and is expected to complete in fourth quarter of 2019.

St John's - St Margaret's Church:
This is a S$43 million construction project involving the erection of a 9-storey nursing home and a 4-storey church annex building with 2-storey of semi-underground carpark and addition and alteration to the existing St. John's - St. Margaret's church along Dover Avenue. Work has commenced in March 2018 and is expected to complete in May 2020.

Note: The contract amounts for the above construction projects are based on awarded contract values.

Dormitory Business

60%-owned **Tuas View Dormitory** is a 16,800-bed purpose-built workers' dormitory at Tuas South Avenue 1. It is equipped with amenities such as common toilets, designated cooking and food preparation area, laundry area and common dining, interacting and recreational facilities such as reading rooms, TV rooms, indoor gymnasiums and outdoor game courts.

The competition among completed dormitories remain stiff. The occupancy rate of our Tuas View Dormitory hovers around 85%. The Group will continue its effort to improve the occupancy rate.

PROPERTIES PORTFOLIO

Development Properties

Project Name	Location	Type	% Owned	GFA (sqm)	Status
MEGA@Woodlands	Singapore	Industrial	60%	98,072	TOP obtained in 1st quarter of 2018
Parc Botannia	Singapore	Residential	30%	51,588	Sales launched in 4th quarter of 2017
Buranda Plot 2, Park Central	Brisbane, Australia	Mixed-use	100%	94,311	Not launched yet
Buranda Plot 3, Park Central One	Brisbane, Australia	Residential	100%	14,786	Sales launched in 4th quarter of 2017

Investment Properties

Project Name	Location	Type	Tenure
Tuas View Dormitory	Singapore	Dormitory	6 years
Wee Hur Building / Lorong Ampas	Singapore	Commercial	Freehold
Unilodge@Park Central	Brisbane, Australia	PBSA	Freehold
Gray Street	Adelaide, Australia	PBSA	Freehold
A'Beckett Street	Melbourne, Australia	PBSA	Freehold
Lot 1-Ann Street/ Lot 2-Turbot Street	Brisbane, Australia	Commercial	Freehold

CORPORATE SOCIAL RESPONSIBILTY

At Wee Hur, we take heart in giving back to our society. In 2017, we established our Corporate Social Responsibility "**CSR**" Committee to encourage our staff to participate in community involvement.

Establishment of Wee Hur Scholarship

Our Group donated an endowed gift of S$150,000 to award at least one merit-based scholarship per academic year to Year Three student(s) in the BSc (Project and Facilities Management) Programme, National University of Singapore.

Our objective is to provide an impetus for students to excel academically, support its mission to advance knowledge, foster innovation and nurture talented leaders of the future.

Tables with Love

In collaboration with Hope Centre, we kicked off this year's charity work to help children from low income families. Our initiative, named "**Tables with Love**", aimed to provide them with tables and chairs to allow them to have a conducive environment to study. We assembled these furniture from scratch and also purchased storybooks for these children so that they can develop the love for reading and learning. The experience was deeply rewarding and gratifying as we were able to participate in the children's learning journey.

Unlabelled Run

We also have active participation from management and staff in a run event - **Unlabelled Run 2017** organised by The New Charis Mission, in support of ex-offenders who had turned over a new leaf and return to society.

CORPORATE SOCIAL RESPONSIBILTY

ARC Christmas Party

This Christmas, our CSR committee members took part in ARC Children Centre's annual Christmas party held for its beneficiaries, particularly children with cancer or other life-threatening illness. We helped to support the activities held on-site and engaged with the children.

In addition, we also sponsored staff to participate in meaningful events such as OCBC Cycle.

OCBC Cycle

Wee Hur Holdings Book Prize

Besides we also give monetary donations to charitable organisations, tertiary institutions, such as the following:

- The New Charis Mission
- Ren Ci Charity Golf Tournament 2017 – Raised funds to help the needy and elderly patients of Ren Ci Hospital
- Singapore Polytechnic – Sponsor book prizes for students in recognition of their outstanding academic performances
- ARC Children Centre – Donation to needy children with cancer and life-threatening illnesses
- Handicap Welfare Association Annual Wheel or Jog 2017 cum Family Carnival
- UOB Heartbeat Run/Walk – support of their fund-raising programme
- Tian Yun Beijing Opera Society – In support of their effort to promote the art of Beijing Opera
- Yu Han Music Society – In support of their effort to promote the art of music
- PCS Education Foundation

AWARDS & ACCOLADES

BCA Quality Mark Award for Good Workmanship 2017 (Achieved Excellent QM rating)

- **PARC CENTROS**, condominium development

BCA Green Mark Award (Gold) 2017

- **MEGA@Woodlands**, industrial property development

BCA Green and Gracious Builder Award (STAR) 2017
in promoting environment protection and gracious practices during the construction phase of projects.

Listed by **Brand Finance** to be among Top 100 Singapore Brands

Over the years, our Group had also garnered several prestigious awards and accolades:

- **Forbes Asia's 200 Best under a Billion** for 2013, 2015.
- **URBAN RESIDENCES**, our residential development received the **BCA Quality Mark "STAR" Rating 2014**
- **PARC CENTROS**, our condominium development received the **BCA Green Mark Goldplus Award 2013**
- **Four** awards for **Construction Excellence** and **two awards** 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.
- Three **Architectural Heritage Awards** conferred by Urban Redevelopment Authority in recognition of our outstanding performance in carrying out restoration and conservations projects.
- **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 five times in a row.

OUR BUSINESS

LOCAL PROPERTY DEVELOPMENT & INVESTMENT

The local property development and investment business is undertaken by Wee Hur Development Pte Ltd (WHD), a wholly-owned subsidiary of Wee Hur Holdings Ltd.

WHD acquires vacant plots of land 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 by WHD or co-owned with Joint Ventures partners.

OUR **BUSINESS** | Local Property Development & Investment Development for Sales

8-storey multiple-user clean, light and general industrial development (512 units) with 2 canteens, clinic, minimart, and other ancillary facilities at Woodlands Avenue 12

TOP : January 2018

Sky Lounge

Work MEGA, Play MEGA

Located on the 8th level, the sky lounge features a dedicated business centre with several meeting rooms of different capacities as well as a gym with shower facilities. It is the perfect place for work-life balance

PARC BOTANNIA

4 blocks of 22-storey (735 units) condominium with carparks at basement level and 1st storey, 1 childcare centre, swimming pool and communal facilities at Fernvale Street/ Fernvale Road.

Expected Date of Vacant Possession : 2020

PARC CENTROS - TOP: 2016

PREMIER@KAKI BUKIT - TOP: 2014

URBAN RESIDENCES - TOP: 2014

HARVEST@WOODLANDS - TOP: 2012

VILLAS@GILSTEAD - TOP: 2011

OUR BUSINESS

OVERSEAS PROPERTY DEVELOPMENT & INVESTMENT

Our overseas property development and investment business is undertaken by Wee Hur International Pte Ltd (WHI), a wholly-owned subsidiary of Wee Hur Holdings Ltd. We will set up a holding company for each country we are investing in.

Currently, we have overseas property development projects in Australia, which is undertaken by Wee Hur Australia Pte Ltd, a wholly-owned subsidiary of WHI.

PARK CENTRAL
MASTERPLAN

Discover Park Central, a master planned transit oriented development located in Woolloongabba, just 7 minutes to the Brisbane CDB.

This vibrant new community will comprise student accommodation and luxury apartments strategically positioned around an expansive private open space and a retail, entertainment and dining precinct.

The Park Central master plan envisions over 4,000m^2 of 'sky park', a private recreation space which will include a club lounge, outdoor dining and entertaining areas, lap and lagoon pool with infinity edge and waterfall, jogging track, outdoor gym equipment, table tennis, bocce, yoga lawn, grassed kick-a-bout area, outdoor cinema and fenced off-leash dog park.

A true transit oriented development, Park Central offers unrivalled connectivity to bus, rail, road and bikeways and is destined to be the hub of activity in the catchment.

While there will be no reason to leave Park Central the immediate area offers an eclectic mix of cafes, restaurants and services, over 5 hectares of parkland just across the road, and the CBD and South Bank lifestyle and entertainment precinct within easy reach.

PARK CENTRAL ONE

Park Central One offers the very first opportunity to be part of the Park Central master plan.

Park Central One will deliver 168 1 & 2 bedroom luxury residences rising 18 levels plus a private rooftop taking in spectacular views of the City and surrounds.

An easy 7 minutes to the Brisbane CBD, residents can come home to the private rooftop deck for a swim or a workout in the fully equipped gym, or bat the breeze on the deck and admire the breathtaking city views.

Status: Sales launched in 4Q2017

OUR BUSINESS

PURPOSE-BUILT STUDENT ACCOMMODATION

The PBSA Business is being undertaken via the Wee Hur PBSA Master Trust (the "Trust"), a vehicle managed by our wholly owned subsidiary Wee Hur Capital Pte Ltd (the "Manager") and where the Group will have a significant 60% stake in, when private placements are completed by end 2018. The investment objective of the Trust is to acquire and develop land in major cities of Australia into PBSA and generate stable and recurring income, with a target of 5,000 beds in total.

To meet the investment objectives, the Manager is mandated to acquire land suitably and strategically located in close proximity to universities, public transportation nodes and amenities. Our PBSAs are developed with the end occupiers – students, in mind, and therefore the PBSAs generally boast a huge communal space for students to interact with supporting amenities including gym, theatrette, quiet study rooms, group conference rooms, music rooms, dance studios and BBQ pits etc. so as to create a conducive living environment for them. Upon the completion of these PBSAs, the Manager will work very closely with an appointed operator to operate them and become the preferred choice of accommodation for students when they study in Australia.

UniLODGE@PARK CENTRAL

2 blocks of PBSA housing 1,578-bed with common basement carpark, bicycle storage facilities, ground floor retail with cross block link and common student amenities at podium level.

UniLodge@Park Central is strategically located beside a busway and railway station. It is located within 10 minutes' bus ride away from Griffith University (both Mt Gravatt and Nathan campuses), University of Queensland St Lucia campus and the CBD. There are also various retail offerings such as Buranda village and Stones Corner, both of which are only a 5 minutes' walk away. The PBSA is also conveniently located in parallel with a bikeway which allows students to ride to the above-mentioned locations within 15-30 minutes. With the completion of Park Central masterplan in the near future, the number of amenities provided to the students will be greatly boosted.

Status: Construction in progress
Expected to complete 2Q2018

Gray Street, Adelaide

1 block of PBSA housing 772-bed with communal facilities like gym room, study rooms, theatrette, BBQ pits, music room, etc. on the ground level. A large inner-facing courtyard for students to enjoy, which is not seen on any other recent PBSAs. Two F&B tenants to operate businesses to serve the students in the PBSA.

Located in the North-Western part of the CBD, and is only just a few minutes' walk away from University of South Australia City West campus. It is well located to capture the growing capacity which UniSA is offering due to the billions of dollars' worth of infrastructure spending in the re-gentrification of the North-Western part of the city.

Status: Construction in progress
Expected to complete 1Q2019

A'Beckett Street, Melbourne

1 block of PBSA housing 900-bed over 47 levels, this is the Group's first high rise PBSA in the portfolio. Prime location with lots of communal spaces, like co-working spaces, function rooms, party rooms, open to sky gym space, and a penthouse viewing gallery that allows students to take in the sights of Melbourne CBD from the 47-storey.

Often cited as the "Nexus" of Melbourne CBD, The PBSA is conveniently located 10 minutes' away from RMIT, Melbourne Central, Chinatown and University of Melbourne, whether by walking or by taking a tram, which is generally free within the CBD. It is also only 1-minute walk away from both Flagstaff Gardens and the largest fresh food market in the Southern Hemisphere – Queen Victoria Market.

Status: Pending Development Approval

OUR BUSINESS

CONSTRUCTION

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.

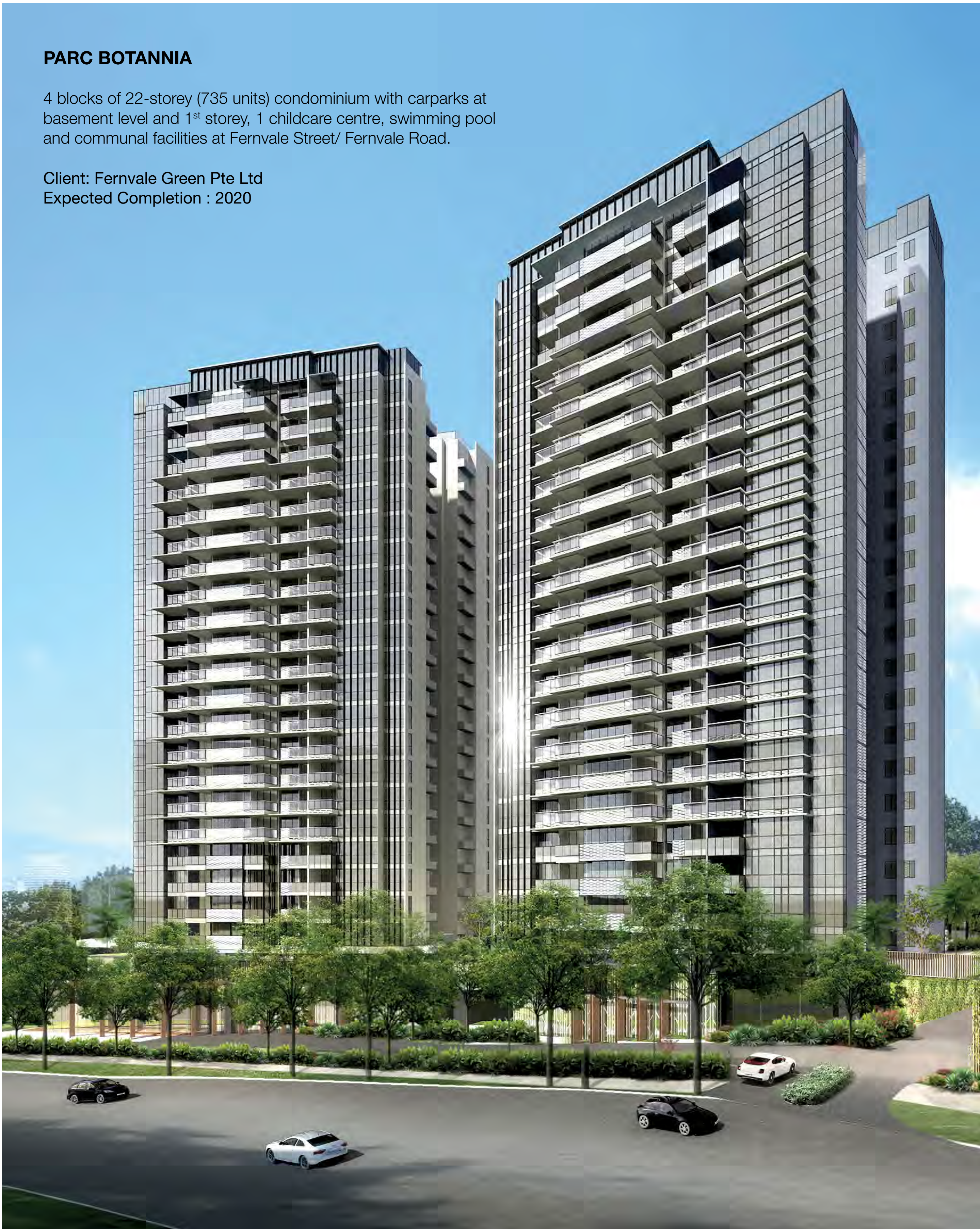
We undertake various types of construction projects from both private and public sectors. Construction projects include residential, commercial, industrial, institutional, religious, restoration and conservation projects.

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.

PARC BOTANNIA

4 blocks of 22-storey (735 units) condominium with carparks at basement level and 1st storey, 1 childcare centre, swimming pool and communal facilities at Fernvale Street/ Fernvale Road.

Client: Fernvale Green Pte Ltd
Expected Completion : 2020



ST JOHN'S-ST MARGARET'S CHURCH

A 9-storey nursing home and a 4-storey church annex building with 2-storey of semi underground carpark and addition and alteration to existing St John's-St Margaret's church at Dover Avenue

Client: The Diocese of Singapore and St Andrew's Mission Hospital
Expected Completion : 2020

WORKSHOP, CAR SHOWROOM AND ANCILLARY OFFICE

A 8-storey single user factory with 3 levels of basement carparks comprising work shop and car showroom and ancillary office at Kung Chong Road/ Chang Charn Road

Client: Stuttgart Auto Pte Ltd
Expected Completion : 2019

MEGA@WOODLANDS

PARC CENTROS

FERNVALE RIVERWALK

MATILDA COURT

5-STOREY WAREHOUSE

CHURCH OF OUR SAVIOUR

PREMIER@KAKI BUKIT

HARVEST@WOODLANDS

PARKVIEW ELCAT

TRILIGHT

URBAN RESIDENCES

OUR **BUSINESS** | Construction Completed Projects

DBS ASIA HUB

NEXUS@ONE NORTH

JCUBE

STANDARD CHARTERED BANK

OUR BUSINESS

DORMITORY

Wee Hur Dormitory Pte Ltd (WHDY), 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 land 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 gymnasiums, TV rooms, reading rooms, canteens, minimarts, retail shops, outdoor game courts and etc.

WHDY has a 60% stake in Active System Engineering Pte Ltd which owns Tuas View Dormitory, a mega purpose-built dormitory with 16,800 beds.

TUASVIEW DORMITORY

At a capacity of 16,800 beds, Tuas View Dormitory is 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 is 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 are also commercial amenities such as minimarts, a canteen and other retail shops to provide greater convenience to the occupants.

SUSTAINABILITY SUMMARY

At Wee Hur, we are committed to being a responsible partner in the communities we operate in by ensuring safe, efficient and environmentally friendly processes. Our guiding principles towards sustainability include:

Property Development	Construction	Investment Property
√ Compliance with regulatory requirements/guidelines	√ Compliance with regulatory requirements/guidelines	√ Compliance with regulatory requirements/guidelines
√ Energy and water efficiency	√ Energy and water conservation	√ Conducting energy and water conservation education programmes
√ Environmentally friendly waste management	√ Minimisation of waste generation through reduce, reuse and recycle	√ Waste management initiatives
√ Accessible and safe design for end-users	√ Minimisation of injury and incident rates through upholding of health and safety best practices	√ Ensuring resident health and safety
√ Ease and safety for maintenance	√ Management and monitoring of our suppliers and subcontractors	
√ Efficient structural system that boosts construction productivity	√ Use of sustainable materials	
√ Selection of sustainable materials	√ Noise and vector management programmes	
√ Engagement and communication with surrounding communities	√ Engagement and communication with surrounding communities	

Our sustainability efforts will be further covered in the FY2017 Sustainability Report which will be published in May 2018.

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 Teo Ah Hiong, 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
#32-01 Singapore Land Tower
Singapore 048623

Auditor

PricewaterhouseCoopers LLP
7 Straits View,
Marina One, East Tower,
Singapore, 018936
Partner in charge: Tan Boon Chok
(Effective from year ended 31 December 2017)

Principal Bankers (in alphabetical order)

Australia and New Zealand Banking Group Limited
DBS Bank Ltd
National Australia Bank Limited
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank (Singapore) 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

CORPORATE GOVERNANCE REPORT

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.

I. BOARD MATTERS

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 Constitution 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 financial year 2017 are as follows:

		Board Committees		
	Board	**Audit**	**Remuneration**	**Nominating**
Number of meetings held	**5**	**4**	**4**	**1**
Attendance				
Goh Yeow Lian	5	4*	4*	1*
Goh Yew Tee	4	4*	3*	1*
Goh Yeo Hwa	5	4*	4*	–
Goh Yew Gee	4	4	3	1
Teo Choon Kow @ William Teo	5	4	4	1
Wong Kwan Seng Robert	5	4	4	1

* attendance 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) supervise the overall management of the business and affairs of the Group, approving the Group's corporate and strategic policies and direction and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) formulate 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) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;

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

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

(vi) evaluate performance of management;

(vii) approve the recommended framework of remuneration for the Board and key executives;

(viii) identify the key stakeholders groups and recognise that their perceptions affect the Group's reputation;

(ix) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(x) Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

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. These committees function within clearly defined written terms of reference and operation procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

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 given induction and orientation by way of briefings by the Executive Chairman on the business activities of the Group and its strategic directions as well as their duties and responsibilities as directors.

The Company will provide training for first-time director in areas such as accounting, legal and industry-specific knowledge as appropriate. The Company is responsible for arranging and funding the training of directors such as seminars conducted by the Singapore Institute of Directors.

In order to ensure that the Board is able to fulfil its responsibilities, prior to the Board meetings, 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 updated on the business activities of the Group during the Board meetings.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board by the Company Secretary so that the Board as a whole is kept up-to-date on pertinent matters relating to the relevant regulatory requirements and their key changes such as listing rules, corporate governance, risk management, financial reporting standards and the Companies Act Chapter 50.

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 judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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.

Guideline 2.2 of the Code requires that independent directors should make up at least half of the board where the chairman of the board and the chief executive director or equivalent is the same person or they are related or the chairman is part of the management team or the chairman is not an independent director.

The Nominating Committee and the Board are of the opinion that there is a strong independence in the Board and the Board is able to exercise objective judgment independently from Management as all key issues and strategies are thoroughly reviewed and discussed by all Board Members and constructively challenged by the Independent Directors, and no individual or small group of individuals dominate the decisions of the Board. The Nominating Committee and the Board felt that the independence of independent directors must be based on the substance of their professionalism, integrity and objectivity and not merely based on form such as the number of independent directors must make up at least half or more than half of the Board or the number of years which they have served on the Board. As such, Nominating Committee and the Board are of the view that there is no requirement currently that Independent Directors should make up at least half of the Board.

The Nominating Committee and the Board reviews the size of the Board from time to time. The Nominating Committee and the Board are of the view that the current Board size of six directors is appropriate taking into account the nature, scope and size of the Group's operations. The Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each director has been appointed on the strength of his calibre, experience and stature and not based on gender or age. Each director is expected to bring valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Independent Directors meet on a need-be basis without the Management's presence to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning and the remuneration of the Executive Directors.

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. Mr Goh is one of the founders of the Group. He plays an instrumental role in development of the Group's business and is personally involved in the day-to-day operations of the Group. Mr Goh not only has extensive and in-depth knowledge of the construction industry but also provides the Group with strong leadership and vision. As such, the Board is of the view that it is in the best of the Group to adopt a single leadership structure as the current scale of the Group's business and operations does not warrant a division of duties.

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. Led by the Lead Independent Director, the Independent Directors met annually without the presence of other directors, and the Lead Independent Director provided feedback to the Chairman after such meeting.

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. Mr Goh 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 annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

The 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 regard 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 NC recommends all appointments and re-nominations of directors to the Board. New directors are appointed after the NC has reviewed and nominated them for appointment. The Company's Constitution provides for one-third of the directors to retire by rotation and be subject to re-election at every Annual General Meeting. A newly appointed director must also subject himself for retirement and re-election at the Annual General Meeting immediately following his appointment. The NC, in considering the nominating of any director for re-election, will evaluate the performance of the director involved.

The NC also determines the independence of directors and evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria.

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.

The NC has assessed the independence of the directors annually based on the definition of independence as set out in the Code. The NC requires all the Independent Directors to confirm their independence and their relationships with the Directors, Management and 10% shareholder of the Company by a declaration in writing annually.

As at 31 December 2017, the two Independent Directors, Teo Choon Kow @ William Teo ("**Mr Teo**") and Wong Kwan Seng Robert ("**Mr Wong**") have served on the Board for more than nine years from the date of their first appointment. In subjecting the independence of Mr Teo and Mr Wong to particularly rigorous review, the NC and the Board have (with Mr Teo and Mr Wong abstaining from discussion and deliberation) placed more emphasis on whether each of them has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his duties rather than imposing a maximum number of years that he should serve. The NC and the Board have noted that Mr Teo and Mr Wong have not hesitated to express their own viewpoint as well as seeking clarification from Management on issues they deem necessary. It is noted that Mr Teo and Mr Wong are able to exercise objective judgment on corporate matters independently, in particular from Management.

After due consideration and careful assessment, the NC and the Board are of the view that Mr Teo and Mr Wong remain independent.

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

The NC has recommended Goh Yeo Hwa and Goh Yew Gee, who are retiring at the forthcoming Annual General Meeting ("**AGM**"), to be re-elected. The two Directors are retiring under Regulation 109 of the Company's Constitution. 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
Goh Yeow Lian	Executive Chairman and Managing Director	3 September 2007	27 April 2016
Goh Yew Tee	Executive Director and Deputy Managing Director	24 September 2007	27 April 2016
Goh Yeo Hwa	Member	24 September 2007	24 April 2015
Goh Yew Gee	Member	24 September 2007	24 April 2015
Teo Choon Kow @ William Teo	Member	14 December 2007	28 April 2017
Wong Kwan Seng Robert	Member	14 December 2007	28 April 2017

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 approved by the Board 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.

No external facilitator has been engaged by the Board for this purpose.

As the Board committees, namely AC, NC and RC, comprise a majority of the members who are Non-Executive Independent Directors, the NC had reviewed and considered that separate assessment of the effectiveness of each Board Committee as recommended by the Code was not deemed necessary and that assessment of the Board as a whole was sufficie.

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 judgment 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 experience and his 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 contributions, which can be in many forms, including management's access to him for guidance or exchange of views outside the formal environment of the Board.

NC also reviews succession plans for the Board of Directors, in particular, the Executive Chairman and Managing Director, the Executive Directors as well as key management executives from time to time.

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, budgets, forecasts, material variances 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 Company 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 Board-Committees. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.

II. REMUNERATION MATTERS

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 and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) 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: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The 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 terms of reference of the RC describes its responsibilities. These include:

(i) Reviewing and recommending a framework of remuneration for the Directors and key management executives, determining specific remuneration packages for each Executive Director, including the Executive Chairman and Managing Director, 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 and Managing Director 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 Group as a whole and the individual employees' performance. This is to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration packages of the Executive Chairman and Managing Director and the Executive Directors include a variable performance bonus. Each of them has a separate service agreement with the Company and is for a fixed term.

The RC reviews the service contracts of the Executive Chairman and Managing Director and the Executive Directors, and the Company's obligations arising in the event of termination of the service contracts of Executive Chairman and Managing Director, the Executive Directors and key management executives to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

In addition, the RC reviews the compensation and performance of the Executive Chairman and Managing Director, Executive Directors, Group's key management executives and staff who are related to the Executive Chairman and Managing Director and the Executive Directors annually to ensure that their remuneration commensurate with their performance and that of the Group.

The RC aims to be fair and avoids rewarding poor performance.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from the Executive Chairman and Managing Director, Executive Directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Chairman and Managing Director, Executive Directors and key management executives paid in prior years in such exceptional circumstances.

Director's fees for the Independent Directors and Non-Executive Director 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. Executive Directors including the Executive Chairman and Managing Director do not receive directors' fees as they are remunerated as members of Management. The Board concurred with the RC that the proposed directors' fees for the year ended 31 December 2017 are appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors.

The RC has explicit authority to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During the financial year, the RC did not require the service of an external remuneration consultant.

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 executives (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 financial year ended 31 December 2017 which will provide sufficient overview of the remuneration of Directors and key management executives are set out below:

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors					
Above S$1,000,000					
Goh Yeow Lian*	–	16	80	4	100
Goh Yew Tee*	–	29	66	5	100
S$500,001 to S$1,000,000					
Goh Yeo Hwa*	–	31	63	6	100
Below S$250,000					
Teo Choon Kow @ William Teo	100	–	–	–	100
Wong Kwan Seng Robert	100	–	–	–	100
Goh Yew Gee*	100	–	–	–	100
Key Executives					
S$250,001 to S$500,000					
Goh Cheng Huah	–	46	48	6	100
Koh Chong Kwang	–	45	48	7	100
Sua Chen Shiua*	–	45	49	6	100
Lu Tze Chern	–	46	47	7	100
Below S$250,000					
Gaw Chu Lan*	–	57	42	1	100
Lim Poh Choo Janet	–	76	23	1	100
Goh Yeu Toh#	–	56	26	18	100
Cheng Kiang Huat#*	–	56	26	18	100
Goh Wee Ping*	–	57	39	4	100

Goh Yeu Toh and Cheng Kiang Huat 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 is the brother-in-law of Messrs Goh. Gaw Chu Lan is the sister of Messrs Goh. Goh Wee Ping is the son of Goh Yeow Lian and is the nephew of Goh Yew Tee, Goh Yeo Hwa, Goh Yew Gee and Goh Yeu Toh. Sua Chen Shiua is the son of Sua Nam Heng, the brother-in-law of Messrs Goh, and 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 Company discloses the remuneration of the top seven key management executives (who are not directors of the Company) of the Group in bands of S$250,000 as set out above. For the same reason, the Company does not disclose the aggregate remuneration paid to the top seven key management executives (who are not directors of the Company) of the Group.

Other than those disclosed above, remuneration of immediate family members of Chairman/Directors who received remuneration which exceeded S$50,000 for the financial year ended 31 December 2017 are as follows:

Remuneration Bands and Name

S$100,001 to S$150,000

Goh Chengyu

Goh Chey Teck

Sua Teng Jah

S$50,001 to S$100,000

Cheng Song Seng

Goh Wee Shian

Goh Chey Teck is the brother of Messrs Goh. Goh Wee Shian is the son of Goh Yeow Lian. Goh Chengyu is the son of Goh Yeo Hwa. Sua Teng Jah is the daughter of Sua Nam Heng, Cheng Song Seng is the son of Cheng Kiang Huat 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. No share options were issued as at to-date.

III. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

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

The shareholders are provided with detailed analysis, explanation and assessment of the Group's financial performance, position and prospects in the Company's quarterly and full-year results announcements and the Annual Report.

In preparing the financial statements, the Directors have:

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

(ii) Made judgments 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.

On a quarterly basis, the Board is provided with management accounts detailing up-to-date financial reports and other information on the Group's performance.

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 key management 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 risk 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, the Group has established 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 Risk Governance and Internal Control Framework, management of all levels are expected to constantly review the business operations and the environment that the Group operates 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 judgment 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 auditors 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.

In the review of the financial statements of the Group for FY2017, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The AC reviewed, among other matters, the following significant matters identified by PricewaterhouseCoopers Singapore LLP ("**PWC**" or the "**External Auditor**") for the financial year ended 31 December 2017:

Matters Considered	**How the Audit Committee reviewed these matters and what decisions were made**
Revenue recognition in construction revenue	The AC reviewed the contract revenue recognition using percentage of completion ("**POC**") method and considered Management's judgments, assumptions and methodologies used in the determination of the POC and found them to be reasonable. The contract revenue recognition using POC method was also an area of focus for the External Auditor. PWC has included this item as a key audit matter in its audit report for the financial year ended 31 December 2017.
Net realisable value of development properties	The AC viewed the development properties as a significant important balance sheet item and hence, the Management's judgments, assumptions and estimations towards the value are critically important. The AC opines that the External Auditor's work procedures and verification with external information are comprehensive. PWC has also included this item as a key audit matter in its audit report for the financial year ended 31 December 2017.

The AC has been given full access and obtained the co-operation of 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 PWC, the External Auditor of the Company without the presence of Management 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 PWC and the fees paid for its audit services, non-audit services and the aggregate amount of fees paid in respect of the financial year ended 31 December 2017. The AC has reviewed the nature and amount of non-audit fees paid to PWC and is of the view that the independence of the External Auditor has not been compromised.

PWC has been engaged to audit the financial statements of the Company and its Singapore incorporated subsidiaries. The Group has also engaged PricewaterhouseCoopers Australia LLP as the auditor to audit the financial statements of the Company's foreign-incorporated subsidiaries for the financial year ended 31 December 2017.

The Group does not have any foreign-incorporated associated companies. Accordingly, the Group has complied with the Rules 715 and 717 of the Listing Manual in relation to its auditing firm. All the Singapore-incorporated subsidiaries of the Group are audited by PWC. The Group has one Singapore-incorporated associated company which is significant to the Group for the financial year ended 31 December 2017 and is audited by Ernst & Young LLP. The Group therefore complied with Rule 716 of the Listing Manual.

The Company has put in place a whistle-blowing policy since 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. No reports were received by the Group under the whistle-blowing policy during the financial year.

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 appointed Nexia TS Risk Advisory Pte Ltd as its Internal Auditors for the financial year 2017. The Internal Auditors plans its internal audit schedules in consultation with 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 Nexia TS Risk Advisory Pte Ltd has the necessary resources to adequately perform its functions and is adequately staffed with persons with the relevant qualifications and experience.

The AC has met with the Internal Auditors without the presence of Management.

The AC has also reviewed and they believed that the Internal Auditors is independent and has the appropriate standing to perform its functions effectively. The AC assesses the adequacy and effectiveness of the internal audit function annually.

The function of internal audit is guided by the Standards for the Professional Practice of Internal Auditing.

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 judgment 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 Auditors, 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 and effective to meet the needs of the Group's existing business objectives, having addressed the critical risks area for the financial year ended 31 December 2017. 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 judgment in decision-making, human errors, losses, frauds or other irregularities.

The Executive Chairman and Managing Director and the Chief Financial Officer at the financial 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.

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDERS' MEETINGS

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

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 announced to the SGX-ST through SGXNET after trading hours. Financial results and annual reports are announced or issued to the SGX-ST 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 Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary may appoint up to two proxies to attend and vote on his/her behalf at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the general meetings through proxy form deposited 72 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.

To promote greater transparency and effective participation, the Company conducts the voting of all its resolutions by poll at all general meetings. Upon the conclusion of the general meetings, the detailed voting results, including the total number of votes cast for or against each resolution tabled, are announced at the general meetings and via SGX-ST's website.

V. OTHER CORPORATE GOVERNANCE MATTERS

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 change 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 financial year 2017 is stated in the following table:

Name of interested person[1]	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Upside Investments Pte Ltd [2]	5,471 [8]	-
PSH Ventures Pte Ltd [2]	3,647 [8]	-
Wealth Investment Pte Ltd [3]	3,647 [8]	-
Sustained Investment Pte Ltd [4]	5,471 [8]	-
Bull Mountain Investment Pte Ltd [5]	3,647 [8]	-
QiCheng Investment Pte Ltd [6]	5,471 [8]	-
Bonanza Capital Pte Ltd [7]	1,094 [8]	-

(1) Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee are Directors of the Company. Goh Yeu Toh and Goh Yew Lay, being brothers to Messrs Goh, are immediate family members of Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee. Goh Yeow Lian is also a controlling shareholder of the Company. Goh Yeu Toh is the director of Wee Hur Construction Pte Ltd, a wholly-owned subsidiary of the Company.

(2) Upside Investments Pte Ltd ("**Upside Investments**") and PSH Ventures Pte Ltd ("**PSH Ventures**") are incorporated in Singapore. The directors and shareholders of Upside Investments are Goh Yeow Lian and his immediate family. The shareholder of PSH Ventures is PSH Investment Ltd. PSH Investment Ltd is owned by a trust where Goh Yeow Lian and his immediate family are the beneficiaries of the trust.

(3) Wealth Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Tee and his immediate family.

(4) Sustained Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yeo Hwa and his immediate family.

(5) Bull Mountain Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Gee and his immediate family.

(6) QiCheng Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yeu Toh and his immediate family.

(7) Bonanza Capital Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Lay and his immediate family.

(8) Shareholders' approval obtained on 21 November 2017 on the subscription of securities in the Wee Hur PBSA Master Trust by the Interested Persons for a total committed capital of A$29,050,000 (equivalent to S$30,270,100 @ exchange rate of A$1 : S$1.042) in aggregate.

As at the date hereof, the Interested Persons hold collectively, through their respective purpose vehicles, an interest of approximately 8.96% in the Wee Hur PBSA Master Trust.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

USE OF PROCEEDS

During the year under review, there has been no fund-raising exercises by way of additional issues of securities of the Company. The use of proceeds raised from the initial public offer and all previous additional listing of shares of the Company is in accordance with the stated use of proceeds and the percentage allocated as previously announced by the Company.

Financials

STATEMENT BY DIRECTORS

The Directors are pleased to present the accompanying financial statements of Wee Hur Holdings Ltd. (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 December 2017.

1. Opinion of the Directors

In the opinion of the Directors,

(a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 71 to 134 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017, the changes in equity of the Company and of the Group and the financial performance and cash flows of the Group for the financial year covered by the consolidated financial statements;

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

2. Directors in office at date of statement

The Directors of the Company in office at the date of this statement 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

3. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year were not interested in shares or debentures of the Company or other related body corporate as recorded in the Register of Directors' Shareholdings kept by the Company under section 164 of the 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 financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
Wee Hur Holdings Ltd. (the Company)		**Number of shares of no par value**		
Goh Yeow Lian	12,815,600	17,963,000	399,694,872	400,194,872
Goh Yew Tee	11,159,416	11,159,416	5,550,000	5,550,000
Goh Yeo Hwa	3,924,200	6,404,200	36,799,257	36,799,257
Goh Yew Gee	6,490,120	6,490,120	10,000,000	10,000,000
Wong Kwan Seng Robert	225,000	225,000	–	–

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

The Directors' interests as at 21 January 2018 were the same as those at the end of the financial year.

4. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. 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.

(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.

5. Options (continued)

Wee Hur Employee Share Option Scheme (continued)

(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 ("SGX-ST"), for the last five 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 SGX-ST, 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

(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 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 financial 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 financial year, there were no unissued shares of the Company or any corporation in the Group under option.

STATEMENT BY DIRECTORS

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.

(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 SGX-ST 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.

6. Performance share plan (continued)

Wee Hur Performance Share Plan (continued)

(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 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 SGX-ST, 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).

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 SGX-ST on each of the five 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.

6. Performance share plan (continued)

Wee Hur Performance Share Plan (continued)

(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 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 financial year, no Awards have been granted to eligible participants.

7. Report of 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 by 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 relevant to their statutory audit, 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 (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- 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 Singapore Exchange Securities Trading Limited'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 are safeguarded where the independent auditor provide non-audit services.

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

8. 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 auditors, and reviews performed by the management, other committee of the Board 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 as at end of the financial year 31 December 2017.

STATEMENT BY DIRECTORS

9. Subsequent developments

The acquisition of a freehold property along A'Beckett Street, Melbourne for A$35 million had been completed on 28 March 2018.There is already a development permit granted on this permit granted on this site for the development of residential apartments. The Group intends to apply for an amendment to the permit to develop approximately 900-bed PBSA instead.

10. Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

3 April 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Wee Hur Holdings Ltd. ("the Company") and its subsidiaries ("the Group"), 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 Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity of the Group, the changes in equity of the Company and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2017;
- the consolidated statement of financial position of the Group as at 31 December 2017;
- the statement of financial position of the Company as at 31 December 2017;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the statement of changes in equity of the Company for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in construction revenue Revenue from construction contracts amounted to $119.14mil, representing 74% of the Group's total revenue for the financial year ended 31 December 2017. Construction revenue is recognised using the percentage-of-completion method. The stage of completion is measured by reference to the proportion of costs incurred to date to the estimated total costs for the construction contract. Significant judgement is required to estimate the total construction costs, variations or claims recognised as contract revenue, and provision for liquidated damages that will affect the percentage of completion, revenue and profit margins recognised from construction contracts. Accordingly, we have assessed the accounting for construction contracts as a key audit matter.	We have performed the following audit procedures on a sample of projects to address the key audit matter : We have obtained an understanding of projects through discussions with management and examination of project documentation (including contracts and correspondences with customers). In relation to total contract revenue, our audit procedures include the following : a) Traced total contract sums to contract and variation orders entered into by the Group and its customer; b) Recomputed the percentage of completion; c) Assessed the adequacy of provision for liquidated damages to be net off against contract revenue recognised (where relevant); and d) Assessed the reasonableness of the revenue recognised via discussion with the project teams and obtaining corroborating evidence such as correspondences with the customers. In relation to total contract costs, our audit procedures include the following: a) Reviewed the actual costs incurred by tracing to supplier invoices or sub-contractors progress billings; and b) Reviewed management's estimates of total construction costs and cost to complete via the following : i. Substantiated to contracts entered for sub-contracting costs; ii. Reviewed the estimation of the material, labour and other construction costs with reference to the progress of the project; and iii. Discussed with the project team and compared the percentage of actual costs incurred over the total contract costs against the percentage of completion.

Key audit matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in construction revenue (continued)	Based on the audit procedures performed, we have assessed management's estimates of total budgeted cost to be reasonable. We have also recomputed the cumulative contract revenue and the contract revenue for the current financial year for these projects and traced to the accounting records with no exception noted.
Net realisable value of development properties As at 31 December 2017, the Group's development properties amounted to \$261.15mil, representing 31% of the Group's total assets. These development properties are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable values of these development properties is critically dependent upon the Group's expectations of forecasted selling prices and estimated costs to develop these properties. Weak demand and oversupply caused by challenging economic environment might exert downward pressure on sales volume and properties prices. Significant judgement is required in the determination of the estimated net realisable values of the development properties. Accordingly, we have assessed the net realisable value of development properties as a key audit matter.	We have performed the following audit procedures, focusing on development projects with slower than expected sales or low margins to address the key audit matter : a) Traced the forecasted selling price to recently transacted prices of the development properties or to recently transacted prices of comparable properties; b) Reviewed the actual costs to-date and the estimated costs to complete with reference to agreements with contractors; c) Assessed the adequacy of write down to net realisable value (where relevant) and by comparing the forecasted selling price and cost incurred for each unit; Based on the audit procedures performed, we have assessed management's assessment of net realisable value for development properties to be reasonable.

Other information

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

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

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

Responsibilities of management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Boon Chok.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

3 April 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group	
	Note	**2017**	**2016**
		$'000	**$'000**
Revenue	4	**160,352**	164,251
Cost of sales	5	**(122,172)**	(128,161)
Gross profit		**38,180**	36,090
Interest income		**1,816**	1,780
Rental income		**104**	176
Dividend income	6	**1,378**	333
Other gains	9	**3,447**	6,245
Administrative expenses	7	**(16,274)**	(16,538)
Marketing and distribution costs	8	**(1,984)**	(1,920)
Other losses	9	**(362)**	(1,042)
Finance costs	10	**(1,371)**	(1,618)
Share of profit of associated company	18	**710**	–
Profit before income tax		**25,644**	23,506
Income tax expense	12A	**(6,871)**	(6,107)
Profit for the year		**18,773**	17,399
Profit attributable to owners of the parent, net of tax		**18,670**	17,267
Profit attributable to non-controlling interests, net of tax		**103**	132
Profit, net of tax		**18,773**	17,399
Earnings per share			
Earnings per share		**Cents**	Cents
Basic	14	**2.03**	1.88
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation – (losses)/gains	26	**(831)**	1,278
Other comprehensive income for the year, net of tax		**(831)**	1,278
Total comprehensive income for the year		**17,942**	18,677
Total comprehensive income attributable to owners of the parent, net of tax		**17,839**	18,545
Total comprehensive income attributable to non-controlling interests, net of tax		**103**	132
Total comprehensive income for the year		**17,942**	18,677

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Group		Company	
		2017	2016	2017	2016
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	**21,697**	8,370	**5**	–
Investment properties	16	**198,759**	164,918	**–**	–
Investment in subsidiaries	17	**–**	–	**29,031**	67,821
Investment in associated company	18	**3,920**	2,995	**–**	–
Deferred income tax assets	12C	**3,189**	5,868	**178**	143
Other receivables	19A	**29,841**	25,532	**231,858**	151,608
Total non-current assets		**257,406**	207,683	**261,072**	219,572
Current assets					
Development properties	20	**261,147**	217,345	**–**	–
Other assets	21	**11,038**	4,170	**130**	39
Trade and other receivables	19B	**50,733**	75,382	**16,153**	23,220
Other financial assets	22	**46,240**	48,704	**46,240**	48,704
Cash and cash equivalents	23	**151,015**	150,874	**19,164**	80,002
Asset classified as held-for-sale	16A	**72,112**	–	**–**	–
Total current assets		**592,285**	496,475	**81,687**	151,965
Total assets		**849,691**	704,158	**342,759**	371,537
EQUITY AND LIABILITIES					
Equity					
Share capital	25	**125,733**	125,733	**125,733**	125,733
Foreign currency translation reserve	26	**1,344**	2,175	**–**	–
Retained profits		**225,830**	212,675	**168,850**	156,824
Equity attributable to owners of the Parent		**352,907**	340,583	**294,583**	282,557
Non-controlling interests		**(4,990)**	1,662	**–**	–
Total equity		**347,917**	342,245	**294,583**	282,557
Non-current liabilities					
Provisions	27	**2,500**	2,500	**–**	–
Other financial liabilities	28	**17,251**	33,917	**–**	–
Other payables	29A	**76,647**	27,195	**16,527**	22,515
Total non-current liabilities		**96,398**	63,612	**16,527**	22,515
Current liabilities					
Income tax payable		**3,819**	33,685	**–**	52
Trade and other payables	29B	**84,646**	95,144	**31,284**	65,755
Other financial liabilities	28	**199,429**	101,594	**365**	658
Other liabilities	30	**47,043**	40,490	**–**	–
Progress billings	20	**70,439**	27,388	**–**	–
Total current liabilities		**405,376**	298,301	**31,649**	66,465
Total liabilities		**501,774**	361,913	**48,176**	88,980
Total equity and liabilities		**849,691**	704,158	**342,759**	371,537

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Group	Total Equity $'000	Attributable to Parent Sub-Total $'000	Share Capital $'000	Retained Profits $'000	Foreign Currency Translation Reserve $'000	Non-Controlling Interests $'000
Current year:						
Opening balance at 1 January 2017	342,245	340,583	125,733	212,675	2,175	1,662
Movements in equity:						
Total comprehensive income for the year	17,942	17,839	–	18,670	(831)	103
Dividends paid (Note 13)	(5,515)	(5,515)	–	(5,515)	–	–
Dividends paid by subsidiaries	(7,000)	–	–	–	–	(7,000)
Capital contribution from non-controlling interests	245	–	–	–	–	245
Closing balance at 31 December 2017	347,917	352,907	125,733	225,830	1,344	(4,990)

	Total Equity $'000	Attributable to Parent Sub-Total $'000	Share Capital $'000	Retained Profits $'000	Foreign Currency Translation Reserve $'000	Non-Controlling Interests $'000
Previous year:						
Opening balance at 1 January 2016	373,142	331,653	125,733	205,023	897	41,489
Movements in equity:						
Total comprehensive income for the year	18,677	18,545	–	17,267	1,278	132
Dividends paid (Note 13)	(9,652)	(9,652)	–	(9,652)	–	–
Dividends paid by subsidiaries	(39,970)	–	–	–	–	(39,970)
Fair value adjustment on interest free loans from non-controlling interests	48	–	–	–	–	48
Return of capital to non-controlling interests	–	37	–	37	–	(37)
Closing balance at 31 December 2016	342,245	340,583	125,733	212,675	2,175	1,662

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

STATEMENTS OF CHANGES IN EQUITY
OF THE COMPANY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Total Equity	Share Capital	Retained Profits
	$'000	**$'000**	**$'000**
Company			
Current year:			
Opening balance at 1 January 2017	282,557	125,733	156,824
Movements in equity:			
Total comprehensive income for the year	17,541	–	17,541
Dividends paid (Note 13)	(5,515)	–	(5,515)
Closing balance at 31 December 2017	294,583	125,733	168,850
Previous year:			
Opening balance at 1 January 2016	186,933	125,733	61,200
Movements in equity:			
Total comprehensive income for the year	105,276	–	105,276
Dividends paid (Note 13)	(9,652)	–	(9,652)
Closing balance at 31 December 2016	282,557	125,733	156,824

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group	
	2017	2016
	$'000	$'000
Cash flows from operating activities		
Profit before income tax	**25,644**	23,506
Adjustments for:		
Interest income	**(1,816)**	(1,780)
Interest expenses	**1,371**	1,618
Dividend income	**(1,378)**	(333)
Depreciation of plant and equipment	**2,370**	3,133
Depreciation of investment properties	**13,646**	14,084
Impairment loss on trade receivables	**216**	–
Impairment loss on development property	**33**	3
Loss/ (gain) on disposal of plant and equipment	**9**	(2)
Loss on disposal of other financial assets	**104**	469
(Gain)/ loss on other financial assets at fair value through profit or loss	**(834)**	99
Gain on foreign currency forward contract at fair value	**(293)**	–
Foreign exchange adjustment unrealised loss	**1,121**	689
Share of profit of associated company	**(710)**	–
Operating cash flows before changes in working capital	**39,483**	41,486
Trade and other receivables	**25,984**	(35,113)
Other assets	**(6,932)**	21,375
Development properties	**(57,221)**	158,671
Progress billings	**43,051**	19,090
Trade and other payables	**(10,235)**	(38,663)
Other liabilities	**6,522**	29,568
Cash generated from operations	**40,652**	196,414
Income taxes paid	**(35,738)**	(1,359)
Net cash flows generated from operating activities	**4,914**	195,055
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**3**	4
Purchase of property, plant and equipment	**(256)**	(506)
Purchase of investment properties	**(121,745)**	(103,301)
Proceeds from disposal of other financial assets	**5,992**	9,416
Purchase of other financial assets	**(2,798)**	(39,638)
Loan to an associated company	**(4,069)**	(27,221)
Investment in an associated company	**–**	(1,200)
Interest received	**1,457**	1,740
Dividends received	**1,378**	333
Net cash flows used in investing activities	**(120,038)**	(160,373)
Cash flows from financing activities		
Proceeds from capital contribution from non-controlling interests	**245**	–
Dividends paid	**(12,515)**	(49,622)
Interest paid	**(3,332)**	(2,515)
Bank deposit pledged	**(8,740)**	–
Proceeds from bank loans	**105,326**	55,899
Repayment of bank loans	**(22,907)**	(24,475)
Proceeds/(repayment) of related parties loan	**49,742**	(21,394)
Net cash flows generated from/ (used in) financing activities	**107,819**	(42,107)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group 2017 $'000	Group 2016 $'000
Net decrease in cash and cash equivalents	**(7,305)**	(7,425)
Effect of exchange rate changes on cash and cash equivalents	**(1,294)**	123
Cash and cash equivalents, consolidated statement of cash flows, at 1 January	**150,174**	157,476
Cash and cash equivalents, consolidated statement of cash flows, at 31 December (Note 23)	**141,575**	150,174

Reconciliation of liabilities arising from financing activities

	1 January 2017 $'000	Principal and interest payment $'000	Proceeds from borrowings $'000	Non – cash changes: Interest expense $'000	Non – cash changes: Foreign exchange movement $'000	31 December 2017 $'000
Bank borrowings	134,853	(26,239)	105,326	3,664	(1,289)	216,315
Related parties loan	27,195	-	49,742	461	(751)	76,647

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

1. General Information

Wee Hur Holdings Ltd (the "Company") is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The registered office is 39 Kim Keat Road, Wee Hur Building, Singapore 328814.

The principal activities of the Company is an investment holding company. The principal activities of its subsidiaries are building construction, investment property, property development, investment holding, Purpose-Build Student Accommodation ("PBSA") and fund management business.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information is resulting from that disclosure is not material. 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.

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

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of development property and rendering of services in the ordinary course of the Group's activities. Sales are presented after eliminating sales within the Group. Sales are presented, net of value-added tax and discounts.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Construction contracts

Please refer to the paragraph "Construction contracts" for the accounting policy for revenue from construction contracts.

(b) Revenue from sale of development properties

For sales of development properties that are within the scope of INT FRS 115 – Agreement for the Construction of Real Estate, the group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to certifications by independent architects or quantity surveyors. 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").

For sales of other development properties, the group recognises revenue upon the transfer of significant risks and rewards of ownership using the completed contract method.

(c) Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest method.

(d) Rental income

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

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Government grants

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

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

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

2. Significant accounting policies (continued)

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

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

Please refer to the paragraph "Investments in subsidiaries and associated companies for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represent the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies is eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment

(a) *Measurement*

Freehold land are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses.

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Freehold property is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold property	Over the terms of the relevant lease at 7.69%
Container office and furniture	20%
Renovation and air-conditioners	20%
Equipment and machinery	20%
Motor vehicles	10%
Computers	100%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

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.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the 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 repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains” and “other losses”.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development.

2. Significant accounting policies (continued)

2.7 Contract to construct property ("Construction contracts")

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and they are capable of being reliably measured.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "other assets". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "other liabilities".

Progress billings not yet paid by customers and retentions by customers are included within "other assets". Advances received are included within "other liabilities".

2.8 Investment properties

Investment properties include those portions of workers' dormitory and purpose-built student accommodation and that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of 6 years for the leasehold dormitory. No depreciation is provided for investment properties under construction. The estimated useful lives are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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

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

2.9 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiaries and associated companies
Investment properties

Property, plant and equipment, investments in subsidiaries and associated companies and investment properties are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill 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 amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 19) and "cash and cash equivalents" (Note 23) on the balance sheet.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(b) *Recognition and derecognition*

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. Significant accounting policies (continued)

2.13 Financial guarantees

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

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.14 Borrowings

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

(a) Borrowings

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

(b) Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised as finance expenses.

2.15 Trade and other payables

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

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

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. Significant accounting policies (continued)

2.17 Leases

(a) *When the Group is the lessee*

The Group leases land, storage shed, dormitory and office space under operating leases from non-related parties

Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

.

(b) *When the Group is the lessor:*

The Group leases workers' dormitory under investment properties under operating leases to non-related parties.

Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Contingent rents are recognised as income in profit or loss when earned.

2.18 Income taxes_

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income tax is measured:

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

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

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Significant accounting policies (continued)

2.19 Provisions

Provisions for reinstatement costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid

2.21 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and all other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains" and "other losses".

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

2. Significant accounting policies (continued)

2.21 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions and any highly liquid debt instruments purchased with an original maturity of three months or less which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents. "Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on investing activities in the statement of cash flows".

2.24 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2. Significant accounting policies (continued)

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.26 Development properties

Development properties refer to properties developed for sale. 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.

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

For sales of development properties of the Group that are within the scope of Accompany Note to INT FRS 115 – *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to certification by independent architects or quantity surveyors. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers on development projects under "current assets". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables". Refer to Note 2.2(b) for revenue recognition of properties for sale under development.

2.27 Derivative financial instruments

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

2.28 Assets classified as held for sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2A. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2A.1 Critical accounting estimates and assumptions

(a) Construction contracts

On construction contracts, revenue is recognised using the percentage-of-completion method. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. The stage of completion is then applied to the contract value to determine the cumulative revenue earned.

This method of revenue recognition requires management to prepare cost estimates to complete contracts in progress, and in making such estimates, judgements are required to evaluate contingencies such as potential variances in scheduling, cost of materials, labour costs and productivity, the impact of change orders or liability claims. All known or anticipated losses based on these estimates are provided for in their entirety without regard to the stage of completion. Estimated revenue on contracts include future revenue from claims when such additional revenue can be reliably established. These estimates are based on management's business practices as well as its historical experience, and management regularly reviews underlying estimates of project profitability.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable.

Recognised revenue and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. Current sales and profit estimates for projects may materially change due to the early stage of a long-term project, new technology, changes in the project scope, changes in costs, changes in timing, changes in customers' plans, realisation of penalties, and other corresponding factor.

If the estimated contract costs of on-going contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's revenue and profit before tax would have been lower/higher by $5,549,000 and $6,066,000 and $329,000 and $845,000 respectively.

(b) Net realisable value of development properties:

A review is made on development properties for declines in net realisable value below cost and an impairment is recorded against the development properties balance for any such declines. The review requires management to consider the future demand for the development properties. The determination of the estimated net realisable values of these development properties is critically dependent upon the Group's expectations of forecasted selling prices and estimated costs to develop these properties. The carrying amounts are disclosed in the note on development properties.

(c) 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 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 for unused tax losses 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 re-assessing 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 on income tax.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Goh Yeow Lian, a Director.

3A. Related party transactions

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 and any financial guarantees are unsecured, without fixed repayment terms and interest or charge 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.

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

Significant related party transactions:

	Group	
	Other related parties	
	2017	2016
	$'000	$'000
Dormitory management fee expenses[#a]	**10,414**	10,397
Rental income[#a]	**(87)**	(1,030)

[#a.] A related party, TS Management Services Pte. Ltd., and a subsidiary have common directors who have significant influence and common shareholders.

3B. 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 entity, directly or indirectly and their remuneration are as follows:

	Group	
	2017	2016
	$'000	$'000
Salaries and other short-term employee benefits	**6,007**	5,883
Employer's contributions to defined contribution plan	**167**	158
	6,174	6,041

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

	Company	
	2017	2016
	$'000	$'000
Remuneration of Directors of the Company	**3,539**	3,539
Fees to Directors of the Company	**180**	180
	3,719	3,719

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

4. Revenue

	Group 2017 $'000	Group 2016 $'000
Amount recognised from construction contracts	**119,136**	107,785
Sale of development properties (recognised on stage of completion method)	**–**	7,778
Rental income (Note 16)	**41,216**	48,688
Total	**160,352**	164,251

5. Cost of sales

	Group 2017 $'000	Group 2016 $'000
Purchase of inventories and construction materials	**80,614**	77,471
Employee compensation	**10,649**	11,309
Depreciation expense	**14,236**	14,742
Management fee	**10,104**	10,397
Rental expense on operating leases	**4,320**	12,291
Others	**2,249**	1,951
Total	**122,172**	128,161

6. Dividend income

	Group 2017 $'000	Group 2016 $'000
Dividend income from quoted corporations	**1,378**	333

7. Administrative expenses

	Group 2017 $'000	Group 2016 $'000
Depreciation of property, plant and equipment (Note 15)	**1,780**	2,475
Employee compensation (Note 11)	**10,558**	9,876
Legal and other professional fee	**1,212**	1,134
Lease expenses	**1,102**	1,261
Office expenses	**1,622**	1,792
Total	**16,274**	16,538

8. Marketing and distribution costs

	Group	
	2017	**2016**
	$'000	**$'000**
Advertisements	**287**	70
Commission expenses	**949**	701
Entertainment	**63**	66
Marketing expenses	**349**	886
Travelling expenses	**276**	144
Others	**60**	53
Total	**1,984**	1,920

9. Other gains and losses

	Group	
	2017	**2016**
	$'000	**$'000**
Disposal of scrap material	**152**	33
(Loss)/gain on disposal of plant and equipment	**(9)**	2
Gain/(loss) on other financial assets at fair value through profit or loss, net	**834**	(99)
Impairment loss on trade receivables (Note 32D)	**(216)**	–
Loss on disposal of other financial assets	**(104)**	(469)
Foreign exchange gain	**167**	3,681
Forward contracts gain/(loss): transactions not qualify as hedges	**293**	(471)
Government grants	**526**	818
Service income from dormitories	**273**	653
Registration fees from dormitories	**867**	287
Fees collected from commercial property tenants	**276**	476
Impairment loss on development property	**(33)**	(3)
Other income	**59**	295
Total	**3,085**	5,203
Presented in profit or loss as:		
Other gains	**3,447**	6,245
Other losses	**(362)**	(1,042)
Net	**3,085**	5,203

10. Finance costs

	Group 2017 $'000	Group 2016 $'000
Bank interest expenses	**3,664**	3,200
Less: amounts capitalised in development property (Note 20)	**(2,293)**	(1,582)
Total interest expenses	**1,371**	1,618

	Group 2017 Per annum	Group 2016 Per annum
Capitalisation rates	**2.03% to 2.49%**	1.85% to 2.56%

11. Employee compensation

	Group 2017 $'000	Group 2016 $'000
Short-term employee compensation	**20,346**	20,127
Employer's contributions to defined contribution plan	**861**	1,058
	21,207	21,185

12. Income tax

12A. Components of tax liabilities/(assets) recognised in profit or loss

	Group 2017 $'000	Group 2016 $'000
Current tax expense:		
Current tax expense	**4,390**	30,321
(Over)/under provision of tax in prior financial years	**(59)**	694
	4,331	31,015
Deferred income tax		
Deferred income tax liabilities/(assets)	**2,202**	(24,400)
Under/(over) provision of deferred tax in prior financial years	**338**	(508)
	2,540	(24,908)
Total income tax expense recognised in profit or loss	**6,871**	6,107

12. Income tax (continued)

12A. Components of tax liabilities/ (assets) recognised in profit or loss (continued)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate or other jurisdiction is calculated at rate prevailing in the relevant jurisdiction. 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% (2016: 17%) or other jurisdiction's rate to profit or loss before tax as a result of the following differences:

	Group	
	2017	**2016**
	$'000	**$'000**
Profit before tax	**25,644**	23,506
Less: Share of profit of associated companies	**(710)**	-
Profit before tax and share of profit of associated companies	**24,934**	23,506
Income tax expense at 17% (2016:17%)	**4,239**	3,996
Effect of different tax rates in other countries	**(363)**	298
Income not subject to tax	**(746)**	(1,034)
Expenses not deductible for tax purposes	**3,144**	2,333
Tax incentives	**(119)**	(184)
(Over)/under provision of tax in prior financial year	**(59)**	694
Under/(over) of deferred tax in prior financial year	**338**	(508)
Deferred tax unrecognised	**437**	420
Others	**–**	92
	6,871	6,107

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

12B. Deferred income tax liabilities/ (assets) recognised in profit or loss

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets				
– To be recovered within one year	**517**	185	**–**	–
– To be recovered after one year	**2,672**	5,683	**178**	143
	3,189	5,868	**178**	143

12. Income tax (continued)

12B. Deferred income tax liabilities/(assets) recognised in profit or loss (continued)

Movement of deferred income tax account is as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Beginning of financial year	**(5,868)**	18,033
Other adjustment	**139**	1,007
Tax charge/(credited) to profit or loss	**2,540**	(24,908)
End of financial year	**(3,189)**	(5,868)

	Company	
	2017	**2016**
	$'000	**$'000**
Beginning of financial year	**(143)**	(128)
Tax credited to – profit or loss	**(35)**	(15)
End of financial year	**(178)**	(143)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

12C. Deferred income tax balance in the statements of financial position

The deferred income tax assets and liabilities balances are as follows:

Group

Deferred income tax liabilities

	Income related to development property under stage of completion	Accelerated tax depreciation	Foreign income not remitted	Other	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2017					
Beginning of financial year	**–**	**4,637**	**536**	**86**	**5,259**
(Credited)/charged to:					
– profit or loss	**–**	**(1,671)**	**360**	**224**	**(1,087)**
End of financial year	**–**	**2,966**	**896**	**310**	**4,172**
2016					
Beginning of financial year	29,005	2,071	343	131	31,550
(Credited)/charged to:					
– profit or loss	(29,005)	2,566	193	(45)	(26,291)
End of financial year	–	4,637	536	86	5,259

12. Income tax (continued)

12C. Deferred income tax balance in the statements of financial position (continued)

Deferred income tax assets

	Provisions	Tax losses carry forward	Other	Total
	$'000	$'000	$'000	$'000
2017				
Beginning of financial year	**(5,886)**	**(4,503)**	**(738)**	**(11,127)**
Other adjustment	**–**	**–**	**139**	**139**
(Credited)/charged to:				
– profit or loss	**(185)**	**3,404**	**408**	**3,627**
End of financial year	**(6,071)**	**(1,099)**	**(191)**	**(7,361)**
2016				
Beginning of financial year	(6,890)	(4,726)	(1,901)	(13,517)
Other adjustment	–	–	1,007	1,007
(Credited)/charged to:				
– profit or loss	1,004	223	156	1,383
End of financial year	(5,886)	(4,503)	(738)	(11,127)

The deferred income tax assets and liabilities balances are as follows:

Company

Deferred income tax assets

	Provisions	Fair value gains	Other	Total
	$'000	$'000	$'000	$'000
2017				
Beginning of financial year	**(9)**	**(134)**	**–**	**(143)**
(Credited)/charged to:				
– profit or loss	**(5)**	**131**	**(161)**	**(35)**
End of financial year	**(14)**	**(3)**	**(161)**	**(178)**
2016				
Beginning of financial year	-	-	-	-
(Credited)/charged to:				
– profit or loss	(9)	(134)	-	(143)
End of financial year	(9)	(134)	-	(143)

13. Dividends on equity shares

	Rate per share		Group and Company	
	2017	2016	2017	2016
	Cents	Cents	$'000	$'000
Final tax exempt (1-tier) dividend paid in respect of the previous financial year	**0.30**	0.75	**2,758**	6,894
Interim tax exempt (1-tier) dividend paid	**0.30**	0.30	**2,757**	2,758
Total dividends paid in the year	**0.60**	1.05	**5,515**	9,652

In respect of the current financial year, the Directors propose that a final dividend of 0.30 cents per ordinary share to be paid to shareholders after the forthcoming Annual General Meeting. There are no income tax consequences. These dividends are 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 dividends for 2017 are payable in respect of all ordinary shares in issue up to the date the dividends become payable.

14. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of the ordinary shares outstanding during the financial year.

The following table illustrates the numerator and denominator used to calculate basic earnings per share of no par value:

		Group	
		2017	2016
		$'000	$'000
A.	Numerator: profit attributable to owners of the parent, net of tax	**18,670**	17,267
B.	Denominator: weighted average number of equity shares	**No: '000**	No: '000
	Basic	**919,245**	919,245
		Cents	Cents
	Basic earnings per share	**2.03**	1.88

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

15. Property, plant and equipment

	Leasehold property $'000	Freehold land $'000	Container office and furniture $'000	Renovation and air-conditioners $'000	Equipment and machinery $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group								
Cost:								
At 1 January 2016	6,492	–	3,162	1,180	16,964	943	1,816	30,557
Additions	–	–	17	–	270	83	136	506
Written off	–	–	–	–	–	–	(3)	(3)
Disposals	–	–	–	–	(6)	(48)	–	(54)
Adjustment	(7)	–	–	–	–	–	–	(7)
At 31 December 2016	6,485	–	3,179	1,180	17,227	979	1,949	30,999
Additions	–	–	22	–	53	18	163	256
Reclassified from development property	–	15,453	–	–	–	–	–	15,453
Written off/disposal	–	–	–	–	–	–	(45)	(45)
At 31 December 2017	6,485	15,453	3,201	1,180	17,280	997	2,067	46,663
Accumulated depreciation:								
At 1 January 2016	1,498	–	1,025	671	14,127	539	1,691	19,551
Depreciation for the year	497	–	576	161	1,581	66	252	3,133
Written off	–	–	–	–	–	–	(3)	(3)
Disposals	–	–	–	–	(4)	(48)	–	(52)
At 31 December 2016	1,995	–	1,601	832	15,704	557	1,940	22,629
Depreciation for the year	499	–	581	159	987	69	75	2,370
Written off/disposal	–	–	12	–	–	–	(45)	(33)
At 31 December 2017	2,494	–	2,194	991	16,691	626	1,970	24,966
Carrying value:								
At 1 January 2016	4,994	–	2,137	509	2,837	404	125	11,006
At 31 December 2016	4,490	–	1,578	348	1,524	421	9	8,370
At 31 December 2017	3,991	15,453	1,007	189	589	371	97	21,697

Freehold and leasehold property at carrying amount of $15,453,000 and $3,991,000 (2016: nil; $4,490,000) respectively are pledged as security for bank loan (See Note 28C & 28D).

15. Property, plant and equipment (continued)

	Furniture	Computer	Total
	$'000	$'000	$'000
Company			
Cost:			
At 1 January 2016 and 31 December 2016	–	2	2
At 1 January 2017	–	2	2
Additions	5	–	5
At 31 December 2017	5	2	7
Accumulated depreciation:			
At 1 January 2017	–	2	2
Depreciation for the year	–	–	–
At 31 December 2017	–	2	2
Carrying value:			
At 1 January 2016	–	–	–
At 31 December 2016	–	–	–
At 31 December 2017	5	–	5

16. Investment properties

	Group	
	2017	2016
	$'000	$'000
Cost:		
At 1 January	**195,928**	90,452
Additions	**121,745**	103,301
Reclassified to asset held-for-sale (Note 16A)	**(72,112)**	–
Foreign exchange (losses)/gains	**(2,146)**	2,175
At 31 December	**243,415**	195,928
Accumulated depreciation:		
At 1 January	**31,010**	16,926
Depreciation for the year	**13,646**	14,084
At 31 December	**44,656**	31,010
Net book value:		
At 1 January	**164,918**	73,526
At 31 December	**198,759**	164,918

16. Investment properties (continued)

Included in the above carrying values of investment properties are dormitory of $26,333,000 (2016: $40,432,000), and student accommodation under development of $172,426,000 (2016: $53,951,000).

	Group	
	2017	**2016**
	$'000	**$'000**
Rental and service income from investment properties (Note 4)	**41,216**	48,688
Direct operating expenses arising from investment properties that generated rental income during the period	**(30,851)**	(39,381)

A description of the valuation techniques and the significant other unobservable inputs used in the fair value disclosure of dormitory is as follows:

Asset:	Leasehold property at 70, Tuas South Ave 1, Singapore 637285.
Existing use:	Rental
Term of lease:	6 years from October 2014
Fair value and fair value hierarchy – Level:	$38,739,000 based on remaining 2 years cash flow projection (2016: $56,370,000 based on 3 years cash flow projection) Level 3
Valuation technique for recurring fair value measurements and inputs:	Discounted cash flow method
Significant unobservable inputs:	Estimated pre-tax discount rates that reflect current market assessments of the risks specific to the property.

Investment property also included student accommodation under development located in Australia.

(a) Student accommodation in Park Central consists of 2 blocks of purpose-built student accommodation with 1,578 beds.

(b) Student accommodation situated between the main thorough fares of Currie Street and Waymouth Street, Australia with 772 beds.

These student accommodation under development comprises of freehold land and related development costs. The fair value as at end of the financial year approximates the carrying amount. For (a), the fair value was based on discounted cash flow method. Significant unobservable inputs are the estimated pre-tax discount rates that reflect current market assessment of the risk specific to the property and estimated rental and occupancy rates provided by third party operator. For (b) the fair value was based on the recent transacted prices as the freehold land was purchased in August 2017.

The fair value measurement for both the student accommodation under development are categorised within the fair value hierarchy at level 3.

16. Investment properties (continued)

16A. Assets classified as held for sale

	Group 2017 $'000	Group 2016 $'000
Assets classified as held for sale	**72,112**	–

The details of the Group's asset held for sale as at 31 December 2017 is as follows:-

Name of property	Location	Type of development	Site area (sqm)	Gross floor area held-for-sale (sqm)	Attributable interest
Land fronting Ann Street and Turbot Street	Ann Street, Brisbane, Australia	Land and office building	5,479	5,479	100%

Management had reclassified $72,112,000 of investment property to asset held for sale in December 2017. The sale is highly probable and is expected to be completed within 12 months. No impairment loss was recognized as at 31 December 2017.

17. Investment in subsidiaries

	Company 2017 $'000	Company 2016 $'000
Cost at 1 January	**67,821**	43,861
Additions	**632**	–
Disposal	**(1,534)**	–
Fair value adjustment on interest free loan due from subsidiaries (Note 19A)	**(37,888)**	23,960
Cost at 31 December	**29,031**	67,821

17. Investment in subsidiaries (continued)

17A. Subsidiaries

The information on the subsidiaries are given below.

Name of subsidiaries	Principal activities	Effective percentage of equity held by Group 2017	2016
		%	%
Held by the Company			
Wee Hur Construction Pte. Ltd.	General building and civil engineering construction	**100**	100
Wee Hur Development Pte. Ltd.	Investment holding	**100**	100
Wee Hur Dormitory Pte. Ltd.	Investment holding	**100**	100
Wee Hur International Pte. Ltd.	Investment holding	**100**	100
Wee Hur Capital Pte. Ltd. (Incoporated on 15 March 2017)	Fund Management	**100**	–
Wee Hur PBSA Master Trust	Investment holding	**68**	100
Held through Wee Hur Development Pte. Ltd.			
Wee Hur (Woodlands) Pte. Ltd.[#b]	Property development	**–**	100
Wee Hur (Paya Lebar) Pte. Ltd.[#b]	Property development	**–**	100
Wee Hur (Kim Keat) Pte. Ltd.	Investment property	**100**	100
Held through Wee Hur International Pte. Ltd.			
Wee Hur Australia Pte. Ltd.	Investment holding	**100**	100
Held through Wee Hur (Australia) Pte. Ltd.			
Wee Hur (Buranda 2) Pty Ltd[#a & #c]	Property development	**100**	100
Wee Hur (Buranda 1) Pty Ltd[#a & #c]	Investment property	**100**	100
Wee Hur (Buranda 3) Pty Ltd[#a & #c]	Property development	**100**	100
Wee Hur (Ann Street) Pty Ltd[#a & #c]	Investment property	**100**	100

17. Investment in subsidiaries (continued)

17A. Subsidiaries (continued)

Name of subsidiaries	Principal activities	Effective percentage of equity held by Group 2017 %	2016 %
Held through Wee Hur PBSA Master Trust			
Wee Hur PBSA (Australia) Pte. Ltd.	Investment holding	**100**	100
WH PBSA Trust[#a & #c]	Investment holding	**100**	100
Held through WH PBSA Trust			
WH Buranda Trust[#a & #c]	Investment property	**100**	100
WH Gray Street Trust[#a & #c] (Incorporated on 14 March 2017)	Investment property	**100**	–
WH Abeckett Trust[#a & #c] (Incorporated on 14 March 2017; formerly known as WH Elizabeth Trust and was renamed on 22 December 2017)	Investment property	**100**	–
Held through Wee Hur Development Pte. Ltd.			
Wee Hur (Kaki Bukit) Pte. Ltd.	Property development	**60**	60
Wee Hur (Punggol Central) Pte. Ltd.	Property development	**65**	65
Wee Hur (Woodlands 12) Pte. Ltd.	Property development	**60**	60
Held through Wee Hur Dormitory Pte. Ltd.			
Active System Engineering Pte. Ltd.	Build and operate foreign workers' dormitories	**60**	60

All the subsidiaries are audited by Pricewaterhouse Coopers LLP, Singapore unless otherwise stated. All the subsidiaries are incorporated and operate in Singapore unless otherwise stated.

#a: Incorporated in Australia.
#b: Strike off during the year.
#c: Audited by PricewaterhouseCoopers, Australia.

17. Investment in subsidiaries (continued)

17B. Subsidiaries with non-controlling interests

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 December 2017 and 2016.

Summarised balance sheet

	Wee Hur (Punggol Central) Pte. Ltd.		Wee Hur (Kaki Bukit) Pte. Ltd.		Wee Hur (Woodlands 12) Pte. Ltd.		Active System Engineering Pte. Ltd.		Wee Hur PBSA Master Trust	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current										
Assets	**13,216**	62,634	**3,447**	3,429	**242,053**	162,975	**14,285**	9,385	**42,147**	–
Liabilities	**(9,472)**	(39,202)	**(365)**	(378)	**(202,420)**	(122,002)	**(30,733)**	(28,470)	**(78,826)**	(4)
Total current net assets/(liabilities)	**3,744**	23,432	**3,082**	3,051	**39,633**	40,973	**(16,448)**	(19,085)	**(36,679)**	(4)
Non-current										
Assets	**96**	153	**36**	42	**548**	187	**31,063**	47,402	**181,330**	–
Liabilities	**–**	–	**–**	–	**(40,000)**	(39,589)	**(33,714)**	(49,462)	**(144,705)**	–
Total non-current net assets/ (liabilities)	**96**	153	**36**	42	**(39,452)**	(39,402)	**(2,651)**	(2,060)	**36,625**	–
Net assets/ (liabilities)	**3,840**	23,585	**3,118**	3,093	**181**	1,571	**(19,099)**	(21,145)	**(54)**	(4)

17. Investment in subsidiaries (continued)

17B. Subsidiaries with non-controlling interests (continued)

Summarised income statement

	Wee Hur (Punggol Central) Pte. Ltd.		Wee Hur (Kaki Bukit) Pte. Ltd.		Wee Hur (Woodlands 12) Pte. Ltd.		Active System Engineering Pte. Ltd.		Wee Hur PBSA Master Trust	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	**–**	7,778	**–**	–	**–**	–	**37,979**	42,399	**–**	–
Profit/(loss) before income tax	**302**	2,712	**31**	572	**(1,756)**	(707)	**4,639**	449	**(933)**	(4)
Income tax (expense)/benefit	**(47)**	(415)	**(5)**	(97)	**366**	52	**(2,592)**	(1,950)	**–**	–
Post-tax profit/ (loss)	**255**	2,297	**26**	475	**(1,390)**	(655)	**2,047**	(1,501)	**(933)**	(4)
Other comprehensive income	**–**	–	**–**	–	**–**	–	**–**	–	**5**	–
Total comprehensive income/(loss)	**225**	2,297	**26**	475	**(1,390)**	(655)	**2,047**	(1,501)	**(928)**	(4)
Total comprehensive income/(loss) allocated to non-controlling interest	**89**	804	**10**	166	**(556)**	(262)	**819**	(600)	**(260)**	–
Dividends paid to non-controlling interests	**7,000**	39,970	**–**	–	**–**	–	**–**	–	**–**	–

17. Investment in subsidiaries (continued)

17B. Subsidiaries with non-controlling interests (continued)

Summarised cash flows

	Wee Hur (Punggol Central) Pte. Ltd.		Wee Hur (Kaki Bukit) Pte. Ltd.		Wee Hur (Woodlands 12) Pte. Ltd.		Active System Engineering Pte. Ltd.		Wee Hur PBSA Master Trust	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash flow from operating activities										
Cash generated from operations	**38,601**	188,607	**198**	(8,215)	**(33,516)**	(29,659)	**24,140**	18,072	**7,965**	–
Interest paid	**–**	–	**–**	–	**(2,071)**	(1,297)	**(537)**	(1,202)	**(255)**	–
Income tax paid	**(28,106)**	–	**–**	(588)	**–**	–	**–**	–	**–**	–
Net cash generated from/(used in) operating activities	**10,495**	188,607	**198**	(8,803)	**(35,587)**	(30,956)	**23,603**	16,870	**7,710**	–
Net cash generated from/(used in) investing activities	**3,029**	(14,943)	**(200)**	(1,200)	**15**	26	**(848)**	(51)	**(182,700)**	–
Net cash (used in)/generated from financing activities	**(20,000)**	(180,200)	**–**	–	**42,017**	26,069	**(17,793)**	(13,936)	**209,975**	–
Net (decrease)/increase in cash and cash equivalents	**(6,476)**	(6,536)	**(2)**	(10,003)	**6,445**	(4,861)	**4,962**	2,883	**34,985**	–
Cash and cash equivalents at beginning of the year	**6,722**	13,258	**176**	10,179	**4,686**	9,547	**4,616**	1,733	**–**	–
Effect of currency translation on cash and cash equivalents	**–**	–	**–**	–	**–**	–	**–**	–	**(525)**	–
Cash and cash equivalents at end of the year	**246**	6,722	**174**	176	**11,131**	4,686	**9,578**	4,616	**34,460**	–

18. Investments in associated company

	Group 2017 $'000	Group 2016 $'000
Beginning as at 1 January	**2,995**	1,200
Share of profit	**710**	–
Fair value adjustment on interest free loans due from associates	**215**	1,795
Balance as at 31 December	**3,920**	2,995

Set out below is the associated company of the Group as at 31 December 2017, which, in the opinion of the directors, are material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest
Fernvale Green Pte. Ltd.	Singapore	30

Fernvale Green Pte. Ltd. is a property development company incorporated in Singapore.

In November 2017, Fernvale Green Pte. Ltd. launched Parc Botannia, a residential condominium of 735-unit on land plot at Fernvale Road.

There are no contingent liabilities relating to the Group's interest in the associated companies.

Set out below are the summarised financial information for Fernvale Green Pte. Ltd.

Summarised balance sheet

	Fernvale Green Pte. Ltd. As at 31 December 2017 $'000	Fernvale Green Pte. Ltd. As at 31 December 2016 $'000
Current assets	**341,283**	296,171
Includes:		
– Cash and cash equivalents	**15,760**	10,080
Current liabilities	**17,714**	112
Non-current liabilities	**310,503**	286,076
Includes:		
– Financial liabilities	**210,564**	200,970
– Other liabilities	**93,939**	85,106
Net assets	**13,066**	9,983

18. Investments in associated companies (continued)

Summarised statement of comprehensive income

	Fernvale Green Pte. Ltd. For the year ended 31 December	
	2017	**2016**
	$'000	**$'000**
Revenue	**15,592**	–
Gross profit	**3,960**	–
Other income	**46**	–
Expenses		
Includes		
– Sales and marketing expenses	**(1,097)**	–
– Others	**(72)**	–
Profit	**2,837**	–
Income tax expense	**(470)**	–
Post-tax profit	**2,367**	–

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	Total As at 31 December	
	2017	**2016**
	$'000	**$'000**
Net Assets		
At 1 January	**9,983**	–
Share capital paid-up	**–**	4,000
Equity contributed by Shareholders	**716**	5,983
Profit for the year	**2,367**	–
At 31 December	**13,066**	9,983
Interest in associated companies (30%)	**3,920**	2,995
Carrying value	**3,920**	2,995

19. Trade and other receivables

19A. Other receivables, non-current

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Loans receivable from subsidiaries	**–**	–	**231,858**	151,608
Loans receivable from associate	**29,841**	25,532	**–**	–
Total loans at cost comprising:				
Loan 1 at cost	**–**	–	**18,709**	16,995
Loan 2 at cost	**–**	–	**117,434**	134,613
Loan 3 at cost	**29,841**	25,532	**–**	–
Loan 4 at cost	**–**	–	**95,715**	–
Total at cost	**29,841**	25,532	**231,858**	151,608

Prior to 1 October 2017, the loans to subsidiaries and associate are unsecured and interest free. The loans are subordinated to certain subsidiaries' and associate's bank loans. Interests are imputed at 3.50% (2016: 3.50%) per annum repriced semi-annually for cash flow discounting purposes for Loan 1 and 2. Interests are imputed at 1.72% per annum based on indicative land loan drawdown interest rate for cash flow discounting purposes for Loan 3. Loan 4 is an interest free loan to subsidiaries stapled proportion to the unit subscribed by the Company. Repayment is expected in December 2019 for Loan 1, December 2024 for Loan 2, December 2020 for Loan 3 and June 2022 for Loan 4. The fair values are not significantly different from their carrying values.

From 1 October 2017, the Company has revised its terms and conditions of the loans to subsidiaries for loans 1, 2 and 4 to interest free, unsecured with no fixed repayment term. In addition, there were certain repayments during the year. Accordingly the fair value adjustment on interest free loan previously recorded will be reversed from receivable due from subsidiaries to the investments in subsidiaries (Note 17).

19B. Trade and other receivables, current

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
<u>Trade receivables:</u>				
Non-related parties	**27,460**	65,713	**–**	–
Less: Allowance for impairment of receivables – non related parties (See Note 32D)	**(216)**	–	**–**	–
Trade receivables- net	**27,244**	65,713	**–**	–
Related parties	**13,809**	25	**–**	–
Subsidiaries	**–**	–	**2,376**	1,519
Retention sum on construction contracts (Note 24)	**5,104**	3,778	**–**	–
	46,157	69,516	**2,376**	1,519
<u>Other receivables:</u>				
Related parties	**5**	5	**1**	–
Subsidiaries	**–**	–	**13,664**	21,518
Advances to staff	**9**	9	**–**	–
Other receivables	**4,562**	5,852	**112**	183
	4,576	5,866	**13,777**	21,701
Total trade and other receivables	**50,733**	75,382	**16,153**	23,220

Amount due from related parties and subsidiaries are unsecured, interest free and repayable upon demand.

Included in trade receivables is an amount of approximately $6,625,000 (2016: $6,302,000) which has been pledged for banking facilities granted to the Group.

20. Development properties

	Group	
	2017	**2016**
	$'000	**$'000**
Properties held for sale in the process of development	**261,147**	217,345
Less: progress billings	**(70,439)**	(27,388)
	190,708	189,957
Included in the accompanying statement of financial position as follows:		
Development properties	**261,147**	217,345
Progress billings	**(70,439)**	(27,388)
	190,708	189,957

The cost of development properties recognised as an expense and included in "cost of sales" is nil (2016: $4,155,000).

The development properties are mortgaged for credit facilities granted to the Group (Note 28).

Borrowing costs included in the development properties are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Borrowing costs capitalised included in additions during the year	**2,293**	1,582
Accumulated borrowing costs capitalised	**13,768**	11,475

21. Other assets

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Deposits to secure services	**3,153**	2,563	**9**	–
Deposits to purchase property	**3,657**	–	**–**	–
Prepayments	**1,483**	1,607	**121**	39
Amount due from contract customer (Note 24)	**2,745**	–	**–**	–
	11,038	4,170	**130**	39

22. Other financial assets

	Group and Company	
	2017	**2016**
	$'000	**$'000**
Investments at fair value through profit or loss	**46,240**	48,704

22. Other financial assets, current (continued)

22A. Disclosures relating to investments

The information gives a summary of the significant geographical concentrations within the investment portfolio including Level 1 (Note 32C) securities:

	Group and Company	
	2017	2016
	$'000	$'000
A1. Quoted bonds in corporations with variable rates from 2.45% to 6.9% per annum and maturing on 16 January 2017 to 7 March 2024		
Based on Country		
Australia	**247**	–
Germany	**524**	–
Hong Kong	**268**	249
Indonesia	**–**	247
United States of America	**–**	254
Singapore	**7,929**	11,209
Subtotal	**8,968**	11,959
A2. Quoted mutual funds in corporations		
Based on Country		
Europe	**14,918**	14,828
United States of America	**12,783**	12,466
Singapore	**9,571**	9,451
Subtotal	**37,272**	36,745
Total investments at fair value through profit or loss	**46,240**	48,704

22B. Sensitivity analysis for price risk:

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis:

The effect is as follows:

	Group and Company	
	2017	2016
	$'000	$'000
A hypothetical 10% increase in the market value of quoted equity shares and mutual funds would have a favourable effect on pre-tax profit of	**4,624**	4,870

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

23. Cash and cash equivalents

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Not restricted in use	**141,575**	144,796	**19,164**	80,002
Cash under project accounts	**–**	5,378	**–**	–
Bank deposit pledged for performance bonds	**9,440**	–	**–**	–
Bank deposit pledged for bank facilities	**–**	700	**–**	–
Cash at 31 December	**151,015**	150,874	**19,164**	80,002
Interest earning balances	**122,988**	112,971	**18,931**	79,128

The rate of interest for the cash on interest earnings balances was between 0.10% and 2.54% (2016: 0.28% and 3.04%) per annum.

Bank deposit pledged for performance bond $9,440,000 (2016: Nil) is the amount held under project accounts which is subject to restrictions imposed by the insurer where performance bonds are acquired for the projects. There were no bank deposits pledged for bank facilities (Note 28) for the year ended 31 December 2017 (2016: $700,000).

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2017	**2016**
	$'000	**$'000**
Cash and bank balances (as above)	**151,015**	150,874
Less: Bank deposits pledged	**(9,440)**	(700)
Cash and cash equivalents per consolidated statement of cash flows	**141,575**	150,174

24. Construction contracts in progress

	Group	
	2017	**2016**
	$'000	**$'000**
Aggregate costs incurred and recognised profits to date on uncompleted construction contracts	**199,464**	285,347
Less: progress billing	**(243,484)**	(325,745)
	(44,020)	(40,398)
Presented as :		
Due from customers construction contracts (Note 21)	**2,745**	–
Due to customers on construction contracts (Note 30)	**(46,765)**	(40,398)
	(44,020)	(40,398)
Retention on construction contracts (Note 19B)	**5,104**	3,778

25. Share capital and treasury share

	Group and Company			
	Number of shares	**Treasury shares**	**Share capital**	**Total**
		$'000	**$'000**	**$'000**
Ordinary shares of no par value:				
Balance at 1 January 2016 and at 31 December 2016 and 2017	919,245,086	(4,574)	130,307	125,733

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. The number of shares above exclude treasury shares.

	Treasury shares	
	2017	**2016**
	No: '000	**No: '000**
Number at 1 January	**16,671**	16,671
Number at 31 December	**16,671**	16,671

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 financial year, no options and awards have been granted under the Wee Hur ESOS and Wee Hur PSP.

Capital risk:

The objectives when managing capital are to safeguard the Group'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 financial 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 divided by adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2017	**2016**
	$'000	**$'000**
All current and non-current borrowings (Note 28)	**216,315**	134,853
Less: cash and cash equivalents (Note 23)	**(151,015)**	(150,874)
Net debt	**65,300**	(16,021)
Total equity	**347,917**	342,245
Adjusted capital	**413,217**	326,224
Gearing ratio	**15.8%**	–

25. Share capital and treasury share (continued)

Capital risk: (continued)

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2017.

In financial year 2016, the debt-to-adjusted capital ratio does not provide a meaningful indicator of risks of borrowings. 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.

26. Foreign currency translation reserve

	Group	
	2017	**2016**
	$'000	**$'000**
At 1 January	**2,175**	897
Exchange differences on translating foreign operations	**(831)**	1,278
At 31 December	**1,344**	2,175

27. Provisions

	Group	
	2017	**2016**
	$'000	**$'000**
At 1 January and 31 December	**2,500**	2,500

A provision for reinstatement is recognised for the expected cost associated with restoring the leasehold land on expiry of the lease in October 2019 from JTC Corporation for the leased land at Tuas South Avenue 1 to its original condition based on the requirement of the lease contract. The provisions are management's best estimate obtained from a third party contractors.

28. Other financial liabilities

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Non-Current:				
Bank loan 2 (secured) (Note 28B)	**–**	11,200	**–**	–
Bank loan 3 (secured) (Note 28C)	**4,253**	8,835	**–**	–
Bank loan 4 (secured) (Note 28D)	**12,998**	13,882	**–**	–
	17,251	33,917	**–**	–
Current:				
Bank loan 1 (secured) (Note 28A)	**117,915**	75,899	**–**	–
Bank loan 2 (secured) (Note 28B)	**12,800**	19,200	**–**	–
Bank loan 3 (secured) (Note 28C)	**5,015**	4,941	**–**	–
Bank loan 4 (secured) (Note 28D)	**983**	896	**–**	–
Bank loan 5 (secured) (Note 28E)	**62,351**	–	**–**	–
Derivatives financial instruments (Note 31)	**365**	658	**365**	658
	199,429	101,594	**365**	658
Total	**216,680**	135,511	**365**	658
The non-current portion is repayable as follows:				
Due within two to five years	**8,041**	23,770	**–**	–
Due after five years	**9,210**	10,147	**–**	–
Total	**17,251**	33,917	**–**	–

The range of floating interest rates paid were as follows:

	Group	
	2017	2016
	Per annum	Per annum
Bank loan 1 (secured)	**2.52% to 2.66%**	1.92% to 2.56%
Bank loan 2 (secured)	**2.49% to 2.80%**	2.39% to 3.37%
Bank loan 3 (secured)	**1.84% to 2.29%**	1.60% to 1.65%
Bank loan 4 (secured)	**1.60% to 2.30%**	1.60% to 1.65%
Bank loan 5 (secured)	**3.39% to 3.40%**	1.60% to 1.65%

During the financial years ended 31 December 2017 and 31 December 2016, certain interest expenses on the term loans are capitalised as part of the cost of development properties (Note 20).

28. Other financial liabilities (continued)

28A. Bank loan 1 (secured)

Bank loan 1 amounting to $117,915,000 (2016: $75,899,000) bears interest at 1.45% per annum over the bank's cost of funds as determined by the bank on the day of transaction, for an interest period of 1, 3 or 6 months.

The loan is to be fully repaid on 30 April 2018.

Bank loan 1 above is secured by:

(i) legal mortgage on a development property with an aggregate carrying amount of $141,851,000 (2016: $154,918,000);

(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 parties; and

(iv) corporate guarantees given by the Company.

In addition, the security for the bank loan included an additional Deed of Subordination of all monies which are now or may hereafter be owing from subsidiary to Directors or shareholders.

28B. Bank loan 2 (secured)

Bank loan 2 amounting to $12,800,000 (2016: $30,400,000) 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, 3 or 6 months.

The bank loan is repayable via the first principal instalment of $1,500,000, the 2nd to the 4th principal instalments of interest servicing only, the 5th to 9th principal instalments of $1,100,000 each and the 10th to the 29th principal instalments of $2,200,000 each. The rental proceeds shall be used to make lump sum principal repayments of $2,000,000 each on 30 July 2015 and 30 December 2015 respectively and of $500,000 each on 30 June 2016 and 30 December 2016 respectively. The first instalment shall commence on the 13th month from the date of first drawdown (namely 16 June 2014) or 6 months after the issuance of the TOP (for Phase 2) or 30 January 2015, whichever is the earliest and shall be fully repaid by 31 May 2017.

The repayment mode has been revised on 16 November 2015 with the repayment of the 11th to the 22nd principal instalments of S$1,100,000 each and the 23rd to the 43rd principal instalments of S$1,600,000 each. The bank loan shall be fully repaid on 31 July 2018.

Bank loan 2 above is secured by:

(i) legal assignment of rental proceeds or charge over rental account of all current and future rental income from a relevant subsidiary's operating dormitory;

(ii) legal charge over rental account, operating accounts and interest service reserve accounts from a relevant subsidiary's operating dormitory maintained with the bank;

(iii) fixed charge over 100% shares in the share capital of a relevant subsidiary and other financial instruments acceptable to the bank;

(iv) first deed of debenture to be executed, incorporating a fixed and floating charge over all present and future undertakings, property assets, revenue and rights from a relevant subsidiary's operating dormitory;

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

(vi) corporate guarantees given by the Company.

In addition, the security for the bank loan included an additional Deed of Subordination of all monies which are now or may hereafter be owing from subsidiary to Directors or shareholders.

28. Other financial liabilities (continued)

28C. Bank loan 3 (secured)

Bank loan 3 amounting to $9,268,000 (2016: $13,776,000) bears interest at 1.25% per annum over the bank's 1-month SWAP offer rate as determined by the bank; or at such other rate at the sole discretion of the bank, for an interest period of 36 months.

The loan is repayable by 36 monthly instalments comprising principal and interest from the date of the loan disbursement.

Bank loan 3 above is secured by:

(i) legal mortgage on leasehold property at 35 Kranji Link with an aggregate carrying amount of $3,991,000 (2016: $4,490,000); and

(ii) corporate guarantees given by the Company.

28D. Bank loan 4 (secured)

Bank loan 4 amounting to $13,981,000 (2016: $14,778,000) bears interest at 1.25% per annum over the bank's 1-month SWAP offer rate as determined by the bank; or at such other rate at the sole discretion of the bank, for an interest period of 180 months.

The loan is repayable by 180 monthly instalments comprising principal and interest from the date of the loan disbursement.

Bank loan 4 above is secured by:

(i) legal mortgage on freehold properties at 39 Kim Keat Road and 1/A/B Lorong Ampas with an aggregate carrying amount of $15,453,000; and

(ii) corporate guarantees given by the Company.

28E. Bank loan 5 (secured)

Bank loan 5 amounting to $62,351,000 (2016: Nil) bears interest at 1.65% per annum above the bank's AUD cost of fund on each utilisation funded by the bank.

The loan is repayable on 26 January 2019.

Bank loan 5 above is secured by:

(i) legal charge over the Group's freehold property at Plot 1 Buranda in Brisbane, Australia; and

(ii) corporate guarantee given by the Company, of up to 60% of the facility limit.

29. Trade and other payables

29A. Other payables, non-current

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Loans payable to related parties	**76,647**	27,195	–	–
Loans payable to subsidiaries	**–**	–	16,527	22,515
Total	**76,647**	27,195	16,527	22,515
Total loans at cost comprising:				
Loan 1 at cost	**16,000**	15,835		
Loan 2 at cost	**11,656**	11,360		
Loan 3 at cost	**48,991**	–		
Total at cost	**76,647**	27,195		

Loans 1 and 2, payable to related parties, are subordinated to certain subsidiaries' bank loans. Interests on loans payable to related parties are imputed from 1.85% to 3.50% per annum (2016: 1.85% to 3.50%) repriced semi-annually for cash flow discounting purposes. Repayment is expected in July 2017 for Loan 1 and December 2019 for Loan 2. From 1 October 2017, the terms and conditions for loan 1 and loan 2 from related parties has been revised to unsecured with no fixed repayment. The fair values are not significantly different from their carrying values.

Loan 3 is an interest free loan from related parties stapled proportion to the unit subscribed by related parties in relation to placement exercise aligned with the Company's intent of building up a purpose built student accommodation portfolio in Australia. The loan is repayable on 30 June 2022. Interests on loan 3 are imputed at 3.50% per annum repriced semi-annually for cash flow discounting purposes up to June 2022.

The loan agreements with subsidiaries provide that principal loan amount of $15,000,000 is repayable by equal monthly instalments over 3 years from October 2016 and $15,000,000 is repayable by equal monthly instalments over 15 years from October 2016. The loans bear interest at 1.5% per annum over 1-month Singapore Interbank Offered Rate ("SIBOR").

29B. Trade and other payables, current

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables:				
Non- related party	**72,726**	85,701	**3,328**	3,157
Other payables:				
Related parties	**759**	387	**–**	–
Subsidiaries	**–**	–	**27,566**	62,538
Other payables	**11,161**	9,056	**390**	60
Subtotal	**11,920**	9,443	**27,956**	62,598
Total trade and other payables	**84,646**	95,144	**31,284**	65,755

Amount due to related parties are unsecured, interest free and repayable on demand.

30. Other liabilities

	Group 2017 $'000	Group 2016 $'000
Deferred income	**278**	92
Due to customers on construction contracts (Note 24)	**46,765**	40,398
	47,043	40,490

31. Derivatives financial instruments

Forward currency exchange contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	Reference currency	Principal $'000	Monthly settlement	Negative Fair Value (Note 28) 2017 $'000	Negative Fair Value (Note 28) 2016 $'000
Contract 1	AUD	250	June to November 2017	**–**	83
Contract 2	AUD	650 to 1,000	December 2016 to November 2017	**–**	431
Contract 3	AUD	250	November 2016 to August 2017	**–**	122
Contract 4	AUD	560	May 2016 to May 2017	**–**	6
Contract 5	AUD	560	June 2016 to June 2017	**–**	6
Contract 6	AUD	560	June 2016 to June 2017	**–**	6
Contract 7	AUD	560	July 2016 to July 2017	**–**	4
Contract 8	AUD	3,000 to 6,000	June 2017 to April 2018	**138**	–
Contract 9	AUD	1,000	July 2017 to July 2018	**26**	–
Contract 10	AUD	3,000	August 2017 to August 2018	**98**	–
Contract 11	AUD	1,300	August 2017 to August 2018	**44**	–
Contract 12	AUD	5,500	December 2017 to November 2018	**47**	–
Contract 13	AUD	500	July 2017 to July 2018	**12**	–
				365	658

Currency derivatives are utilised to hedge significant future transactions and cash flows. The entity is a party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the entity's principal markets. As a matter of policy, the entity does not enter into derivative contracts for speculative purposes.

The fair value is within level 2 of the fair value hierarchy where the forward currency contracts is based on valuation made by financial institutions.

32. Financial instruments: information on financial risks

32A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the financial year.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets:				
Cash and cash equivalents (Note 23)	**151,015**	150,874	**19,164**	80,002
Loans and receivables (Note 19)	**80,574**	100,914	**248,011**	174,828
Other financial assets at fair value through profit or loss (Note 22)	**46,240**	48,704	**46,240**	48,704
At 31 December	**277,829**	300,492	**313,415**	303,534
Financial liabilities:				
Borrowings (Note 28)	**216,315**	134,853	**–**	–
Trade and other payables (Note 29)	**161,293**	122,339	**47,811**	88,270
Derivatives financial instruments (Note 31)	**365**	658	**365**	658
At 31 December	**377,973**	257,850	**48,176**	88,928

Further quantitative disclosures are included throughout these financial statements.

32B. 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. The guidelines set up the short and long term objectives 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 acceptable 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.

32. Financial instruments: information on financial risks (continued)

32C. 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 the significant financial instruments stated at amortised cost and at fair value in the statements 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.

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

32D. 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 financial 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 on-going 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 23, 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 about 7 to 35 days (2016: 7 to 35 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of the financial year but not impaired:

	Group	
	2017	**2016**
	$'000	**$'000**
Trade receivables past due but not impaired:		
Past due over 30 days	**4,003**	2,327
Past due over 31 – 60 days	**107**	1,440
Past due over 61 – 90 days	**2,118**	918
Total	**6,228**	4,685

32. Financial instruments: information on financial risks (continued)

32D. Credit risk on financial assets (continued)

(b) The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Past due over 90 days	**216**	–		
Less: Allowance for impairment	**(216)**	–	**–**	–
	–	–	**–**	–
Beginning of financial year	**–**	–	**–**	–
Allowance made	**216**	–	**–**	–
End of financial year	**216**	–	**–**	–

The impaired trade receivables arise mainly from sales to customers which has suffered significant losses in its operations.

Concentration of trade receivables' customers (non-related parties) as at the end of the financial year:

	Group	
	2017	2016
	$'000	$'000
Top 1 customer	**13,797**	10,133
Top 2 customer	**6,625**	8,484
Top 3 customer	**5,527**	1,571

Financial guarantee contracts:

	Total
	$'000
Company	
2017:	
Financial guarantee contracts – bank guarantee in favour of subsidiaries	**237,738**
Financial guarantee contracts – bank guarantee in favour of associate	**63,169**
2016:	
Financial guarantee contracts – bank guarantee in favour of subsidiaries	97,107
Financial guarantee contracts – bank guarantee in favour of associate	60,291

32. Financial instruments: information on financial risks (continued)

32E. Liquidity risk – financial liabilities maturity analysis

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

	Less than 1 year	1 – 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Group				
Non-derivative financial liabilities:				
2017:				
Gross borrowings commitments	**200,345**	**10,751**	**10,289**	**221,385**
Trade and other payables	**84,646**	**77,496**	**–**	**162,142**
2016:				
Gross borrowings commitments	103,057	24,826	11,194	139,077
Trade and other payables	95,144	28,505	–	123,649
Company				
Non-derivative financial liabilities:				
2017:				
Trade and other payables	**31,284**	**10,056**	**9,060**	**50,400**
2016:				
Trade and other payables	66,361	14,045	10,909	91,315

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

	Less than 1 year	1 – 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Company				
2017:				
Financial guarantee contracts – bank guarantee in favour of subsidiaries	**89,195**	**139,333**	**9,209**	**237,737**
Financial guarantee contracts – bank guarantee in favour of associate	**–**	**63,169**	**–**	**63,169**
2016:				
Financial guarantee contracts – bank guarantee in favour of subsidiaries	**67,670**	**19,290**	**10,147**	**97,107**
Financial guarantee contracts – bank guarantee in favour of associate	**–**	**60,291**	**–**	**60,291**

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 about 5 to 35 days (2016: 5 to 35 days).

32. Financial instruments: information on financial risks (continued)

32F. Interest rate risk

The other payables are with short-term durations. The classification of the financial assets is shown in the statements 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	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Bank facilities:				
Undrawn borrowing facilities	**207,647**	60,018	**15,000**	10,000
Unused banker guarantees	**6,001**	5,996	**–**	–

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.

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. 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	
	2017	2016
	$'000	$'000
Financial liabilities with interest:		
Floating rates	**216,315**	134,853
At 31 December	**216,315**	134,853

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	
	2017	2016
	$'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	**1,931**	1,070
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in profit before tax for the year by	**232**	279

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 profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

32. Financial instruments: information on financial risks (continued)

32G. Foreign currency risk

Analysis of amounts denominated in non-functional currency:

	Australian dollar
	$'000
Group:	
2017:	
Financial assets:	
Cash and cash equivalents	**36,371**
Loans and receivables	**10,658**
Total financial assets	**47,029**
Financial liabilities:	
Trade and other payable and other financial liabilities at amortised cost	**73,634**
Net financial liabilities at 31 December	**26,605**
2016:	
Financial assets:	
Cash and cash equivalents	17,913
Loans and receivables	1,093
Total financial assets	19,006
Financial liabilities:	
Trade and other payables at amortised cost	4,392
Net financial assets at 31 December	14,614

Sensitivity analysis:

	Group	
	2017	2016
	$'000	$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the AUD with all other variables held constant would have an adverse effect on pre-tax profit of	**(349)**	(1,329)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the financial year. The analysis above has been carried out on the basis that there are no hedged transactions.

32. Financial instruments: information on financial risks (continued)

32H. Equity price risk

There are investments in equity shares or similar instruments. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets and sensitivity analysis are disclosed in Note 22.

33. Items in profit or loss

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

	Group	
	2017	**2016**
	$'000	**$'000**
Audit fees to the independent auditor of the Company	**188**	182
Audit fees to other independent auditor	**20**	26
Other fees to the independent auditor of the Company	**29**	97
Other fees to other independent auditor	**67**	59

34. Capital commitments

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

	Group	
	2017	**2016**
	$'000	**$'000**
Commitments to purchase property, plant and equipment[#a]	**2,680**	–
Commitment to purchase property[#b]	**32,823**	–

[#a.] The property cost is denominated in S$ with an amount of S$2,680,000 at Tuas South Link 3 offered by Jurong Town Corporation to be constructed as warehouse for the Group's occupation next financial year.

[#b.] The property cost is denominated in A$ with an amount of A$35,000,000 and 10% deposit was placed during the financial year.

35. Operating lease payment commitments – as lessee

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

	Group	
	2017	**2016**
	$'000	**$'000**
Not later than one year	**4,751**	4,790
Later than one year and not later than five years	**4,372**	8,979
Later than five years	**363**	484

35. Operating lease payment commitments – as lessee (continued)

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 Jurong Town Corporation is for the period of 6 years from 1 November 2013 and ending on 31 October 2019.

c) The lease from Rangoon Investment Pte Ltd is for the period of 1 year from 1 July 2017, ending on 30 June 2018.

d) The lease from Westlife Dormitory (Toh Guan) Pte Ltd is for the period of 11 months from 13 April 2017, ending on 31 March 2018.

36. Operating lease income commitments – as lessor

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

	Group	
	2017	**2016**
	$'000	**$'000**
Not later than one year	**30,538**	27,556
Later than one year and not later than five years	**3,487**	1,129

The Group leases out certain warehouse and dormitories under non-cancellable operating leases. Leases are negotiated for initial terms of one to three years with fixed rental rates.

37. Financial information by operating segments

37A. 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 six reportable operating segments as follows:

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

(b) The investment property segment is in the business of building and operating of foreign workers' dormitories and leasing of office and commercial properties.

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

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

(e) The Purpose-Built Student Accommodation ("PBSA") segment is in the business of building and operating student accommodation for local and foreign students.

(f) The fund management segment is in the business of fund management 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.

37. Financial information by operating segments (continued)

37A. Information about reportable segment profit or loss, assets and liabilities (continued)

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

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

The following is an analysis of the Group's reportable segments for the financial year ended 31 December 2017:

Operating segment	Building construction	Investment property	Property Development	Investment Holding	PBSA	Fund Management	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Profit or loss and reconciliation							
Total segment sales	168,532	41,634	–	7	4	–	210,177
Inter-segment sales	(49,396)	(418)	–	(7)	(4)	–	(49,825)
Revenue to external party	119,136	41,216	–	–	–	–	160,352
Segment result	23,473	24,193	(1,300)	(4,354)	(695)	(812)	40,505
Interest income	514	134	57	1,084	27	–	1,816
Finance costs	(228)	(1,143)	–	–	–	–	(1,371)
Depreciation	(1,778)	(14,236)	–	(2)	–	–	(16,016)
Share of profit of associated Company	–	–	–	710	–	–	710
Profit/(loss) before tax	21,981	8,948	(1,243)	(2,562)	(668)	(812)	25,644
Income tax (expense)/ benefit	(3,337)	(2,448)	140	(794)	–	(432)	(6,871)
Profit/(loss) after tax	18,644	6,500	(1,103)	(3,356)	(668)	(1,244)	18,773
Assets and reconciliation							
Segment assets	116,893	126,427	280,647	105,598	219,995	131	849,691
Segment assets includes:							
Investment in an associated Company	–	–	–	3,920	–	–	–
Liabilities and reconciliation							
Segment liabilities	116,125	50,688	208,369	4,174	121,615	803	501,774
Other material items and reconciliation							
Additions to:							
Property, plant and equipment	237	–	2	6	–	–	245
Investment property	–	–	–	–	179,493[1]	–	179,493

[1] Addition includes transfer of student accommodation under development from Investment property segment amounting to $57,481,000.

37. Financial information by operating segments (continued)

37A. Information about reportable segment profit or loss, assets and liabilities (continued)

The following is an analysis of the Group's reportable segments for the financial year ended 31 December 2016:

Operating segment	Building construction	Investment property	Property Development	Investment Holding	PBSA	Fund Management	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Profit or loss and reconciliation							
Total segment sales	158,837	48,688	7,778	6,029	–	–	221,332
Inter-segment sales	(51,052)	–	–	(6,029)	–	–	(57,081)
Revenue by segment	107,785	48,688	7,778	–	–	–	164,251
Segment result	18,214	24,173	2,338	(4,160)	(4)	–	40,561
Interest income	159	404	92	1,125	–	–	1,780
Finance costs	(59)	(1,427)	(60)	(71)	–	–	(1,617)
Depreciation	(2,460)	(14,742)	–	(15)	–	–	(17,217)
Profit/(loss) before tax	15,854	8,408	2,370	(3,121)	(4)	–	23,507
Income tax expense	(2,848)	(3,094)	(121)	(44)	–	–	(6,107)
Profit/(loss) after tax	13,006	5,314	2,249	(3,165)	(4)	–	17,400
Assets and reconciliation							
Segment assets	80,304	189,518	275,736	158,600	–	–	704,158
Segment assets includes:							
Investment in an associated company	–	–	–	2,995	–	–	2,995
Liabilities and reconciliation							
Segment liabilities	131,935	44,122	181,803	4,049	4	–	361,913
Other material items and reconciliation							
Additions to:							
Property, plant and equipment	439	–	–	14	–	–	453
Investment property	–	103,354	–	–	–	–	103,354

37. Financial information by operating segments (continued)

37B. Geographical information

	Revenue		Non-current assets	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**157,068**	157,962	**81,843**	77,329
Australia	**3,284**	6,289	**172,374**	124,486
	160,352	164,251	**254,217**	201,815

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2018 and which the Group has not early adopted:

(a) FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

FRS 109 replaces FRS 39 *Financial instruments: Recognition and Measurement* and its relevant interpretations.

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from contracts with customers*, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 39). The new accounting framework has similar requirements of FRS 109 and the impact of adopting the equivalent FRS 109 is disclosed in Note 39.

38. New or revised accounting standards and interpretations (continued)

(b) FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

FRS 115 replaces FRS 11 *Construction contracts*, FRS 18 *Revenue*, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 39). The new accounting framework has similar requirements of FRS 115 and the impact of adopting the equivalent FRS 115 is disclosed in Note 39.

(c) INT FRS 122 *Foreign Currency Transactions and Advance Considerations* (effective for annual periods beginning on or after 1 January 2018)

INT FRS 122 *Foreign Currency Transactions and Advance Considerations* considers how to determine the date of the transactions when applying the standard on foreign currency transactions, FRS 21 *The Effect of Changes in Foreign Exchange Rates.* The Interpretation applies where the Group either pays or receives consideration in advance for foreign currency-denominated contracts.

For single upfront payment/receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

The Interpretation is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group does not expect a material impact on the financial statement upon adoption of the Interpretation.

(d) FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The new standard also introduces expanded disclosure requirements and changes in presentation.

38. New or revised accounting standards and interpretations (continued)

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 39). The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

39. Adoption of SFRS(I)s

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I)s on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the quarter ended 31 March 2018 in May 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group will also concurrently apply new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I)s on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) 1

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I). The Group is not affected by the mandatory exceptions and optional exemptions under SFRS(I).

(b) Adoption of SFRS(I) 9

The Group plans to elect to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) equivalent of FRS9.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss model under SFRS(I) 9:

– trade receivables and contract assets recognised under SFRS(I) 15;

– debt instruments carried at amortised cost; and

– loans to related parties and other receivables at amortised cost.

The management does not expect any significant impact arising from the application

39. Adoption of SFRS(I)s (continued)

(c) Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group will adopt the SFRS(I) 15 retrospectively. The main adjustments are as follows:

(i) Accounting for contracts with multiple performance obligations

Under SFRS, the contracts for construction of building have been assessed to be one contract with revenue recognised progressively by reference to the stage of completion of the contract activity at the balance sheet date.

The Group has assessed each contract under the requirements of SFRS(I) 15 and concluded that for each of these contracts, there are no distinct performance obligations.

(ii) Presentation of contract assets and liabilities

The Group is expected to change the presentation of certain amounts in the balance sheet to reflect the terminology in SFRS(I) 15:

- Amount due from customers arising from construction contracts and construction contract work-in-progress under SFRS will be reclassified to be presented as part of contract assets amounting to $2,745,000.
- Amounts due to customers arising from construction contracts and progress billing for development properties under completion contract method under SFRS will be reclassified to be presented as part of contract liabilities amounting to $117,204,000.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Wee Hur Holdings Ltd on 3 April 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2018

Number of fully issued and paid up shares (excluding treasury shares and subsidiary holdings)	:	919,245,086
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Treasury shares	:	16,671,000
Subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	300	9.76	4,996	0.00
100 - 1,000	102	3.32	54,875	0.01
1,001 - 10,000	687	22.34	4,757,683	0.52
10,001 - 1,000,000	1,933	62.86	155,859,508	16.95
1,000,001 and above	53	1.72	758,568,024	82.52
Total	**3,075**	**100.00**	**919,245,086**	**100.00**

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	%
1	GSC Holdings Pte. Ltd.	349,159,000	37.98
2	Citibank Nominees Singapore Pte Ltd	63,244,972	6.88
3	Raffles Nominees (Pte) Limited	38,916,757	4.23
4	Goh Yeu Toh	33,387,257	3.63
5	DBS Nominees (Private) Limited	30,939,588	3.37
6	Sua Nam Heng	30,417,257	3.31
7	Cheng Kiang Huat	21,000,257	2.28
8	Goh Yeow Lian	17,963,000	1.95
9	United Overseas Bank Nominees (Private) Limited	11,804,321	1.28
10	UOB Kay Hian Private Limited	11,662,303	1.27
11	Goh Yew Tee	11,159,416	1.21
12	Kuik Ah Han	10,050,000	1.09
13	Goh Yew Lay	9,566,560	1.04
14	CGS-CIMB Securities (Singapore) Pte. Ltd.	8,710,606	0.95
15	Maybank Kim Eng Securities Pte. Ltd.	8,675,662	0.94
16	OCBC Securities Private Limited	8,472,733	0.92
17	Goh Yew Gee	6,490,120	0.71
18	Goh Yeo Hwa	6,404,200	0.70
19	Low Woo Swee@Loh Swee Teck	6,209,000	0.68
20	Ong Gim Loo	6,000,000	0.65
		690,233,009	**75.07**

STATISTICS OF SHAREHOLDINGS

AS AT 16 MARCH 2018

SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2018

(As recorded in the Register of Substantial Shareholders as at 16 March 2018)

Substantial Shareholdings	Direct Interest		Deemed Interest	
Name	**Number of Shares**	**%[1]**	**Number of Shares**	**%[1]**
Goh Yeow Lian[2]	17,963,000	1.95	400,194,872	43.54
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 and subsidiary holdings) as at 16 March 2018.

(2) Mr Goh Yeow Lian is deemed to have an interest in the following shares:

(i) 349,159,000 shares held by GSC Holdings Pte. Ltd. through his interest in GSC Holdings Pte. Ltd.
(ii) 3,300,000 shares registered in the name of his spouse, Tan Ah Hio.
(iii) 8,216,000 shares held by his spouse, Tan Ah Hio (registered in the name of Citibank Nominees Singapore Pte Ltd).
(iv) 39,519,872 shares registered in the name of Citibank Nominees Singapore Pte Ltd.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

To the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 16 March 2018 is approximately 35.75% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

As at 16 March 2018, the number of treasury shares held is 16,671,000 representing 1.81% of the total number of issued shares excluding treasury shares. The Company does not have any subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Wee Hur Holdings Ltd. (the "**Company**") will be held on Friday, 27 April 2018 at 11.00 a.m. at Quality Hotel Marlow 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' Statement, Auditor's Report and Audited Financial Statements for the financial year ended 31 December 2017. **Resolution 1**

2. To declare the payment of a final tax exempt (one-tier) dividend of 0.3 cent per ordinary share for the financial year ended 31 December 2017. **Resolution 2**

3. To approve the payment of Directors' fees of S$180,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears. (2017: S$180,000) **Resolution 3**

4. To re-elect Mr Goh Yeo Hwa, a Director retiring pursuant to Regulation 109 of the Company's Constitution. **Resolution 4**

5. To re-elect Mr Goh Yew Gee, a Director retiring pursuant to Regulation 109 of the Company's Constitution [*See explanatory Note (a)*]. **Resolution 5**

6. To re-appoint PricewaterhouseCoopers 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 and subsidiary holdings) 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 and subsidiary holdings) 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 and subsidiary holdings) 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;

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

(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 Constitution 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 (b)]

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 9 May 2018 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 8 May 2018 will be registered to determine members' entitlement to the proposed final tax exempt (one-tier) dividend (the "**Proposed Dividend**"). The Proposed Dividend, if approved, will be paid on 16 May 2018 to members registered in the books of the Company on 8 May 2018.

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 Teo Ah Hiong
Joint Company Secretaries

12 April 2018

Explanatory Notes:

(a) Mr Goh Yew Gee, if elected, will continue to serve as a member of the Audit Committee, the Nominating Committee and the Remuneration Committee. Mr Goh Yew Gee is considered by the Board of Directors as a Non-Independent Director for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

(b) The proposed ordinary resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

2. A proxy need not be a member of the Company.

3. If a proxy is to be appointed, the instrument of proxy must be deposited at the Company's registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than seventy-two (72) hours before the time fixed for holding the Annual General Meeting. The completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General 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 Annual General Meeting.

4. A Depositor's name must appear on the Depository Register maintained by CDP as at seventy-two (72) hours before the time fixed for holding the Annual General Meeting in order to be entitled to attend, speak and vote at the Annual General Meeting.

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

Personal Data Privacy:

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

Photographic, sound and/or video recordings of the Annual General Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Annual General Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Annual General Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

In addition, the Company may upon the request of any shareholder, provide such shareholder with a copy of the minutes of the Annual General Meeting which may contain a member's personal data as explained above. By participating in the Annual General Meeting, raising any questions and/or proposing/seconding any motion, a member will be deemed to have consented to have his personal data recorded and dealt with for the purposes and in the manner explained above.

Proxy Form

WEE HUR HOLDINGS LTD.

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

ANNUAL GENERAL MEETING

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), relevant intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Wee Hur Holdings Ltd's shares, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS Investors should to contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2018.

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

and/or (delete as appropriate)

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

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, speak and to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on Friday, 27 April 2018 at 11.00 a.m. at Quality Hotel Marlow 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/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For	Against
ORDINARY BUSINESS			
1.	To adopt the Directors' Statement, Auditor's Report and Audited Financial Statements.		
2.	To declare Final Dividend.		
3.	To approve Directors' Fees for the financial year ending 31 December 2018.		
4.	To re-elect Mr Goh Yeo Hwa, a Director retiring under Regulation109 of the Company's Constitution.		
5.	To re-elect Mr Goh Yew Gee, a Director retiring under Regulation 109 of the Company's Constitution.		
6.	To re-appoint PricewaterhouseCoopers LLP as Independent Auditor and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
7.	To approve the Share Issue Mandate.		

Dated this______________________day of _________________ 2018

Total Number of Shares Held	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

2. A proxy need not be a member of the Company.

3. If no name is inserted in the space for the name of your proxy in the instrument appointing a proxy or proxies, the Chairman of the Meeting will act as your proxy.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 39 Kim Keat Road, Wee Hur Building, Singapore 328814, not less than seventy-two (72) 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 his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

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

8. A corporation which is a shareholder 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 Act.

9 The completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking 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.

10. The Company shall be entitled to reject an 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 of proxy appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

This page has been intentionally left blank

This page has been intentionally left blank

偉合控股有限公司
WEE HUR HOLDINGS LTD

39 Kim Keat Road
Wee Hur Building
Singapore 328814
Tel: 6258 1002
Fax: 6251 0039
Email: general@weehur.com.sg
Website: www.weehur.com.sg