偉合控股有限公司
WEE HUR HOLDINGS LTD.

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Annual Report 2008

Building On Core Strengths

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偉合控股有限公司

WEE HUR HOLDINGS LTD.

Contents

Corporate Philosophy

Vision

Wee Hur envisions being one of the leading providers of reliable and quality construction services in Singapore.

Mission

We strive to provide quality construction services while maintaining the highest level of professionalism and integrity in our relationships with our clients and business associates. We aim to create maximum value for our shareholders.

Core Values

People

We recognise people as the company's key assets. We believe and expect our employees to play an important part in our growth and we are committed towards building a professional and conducive environment that will nurture their growth and instill a sense of belonging to the company.

Safety

We accord the highest priority to safety in the execution of our projects. We will continuously improve our site safety standards.

Prudence

We believe that a strong measure of prudence is important for our company operations and the success of every project we undertake. We believe that in the construction industry, prudence will enable the Group to remain resilient when times are tough.

Excellence

We understand that continuous improvement is the only way towards excellence. We are resolute in our efforts to constantly seek perfection in our business processes and methods, offering quality workmanship, on-time delivery and excellent services for value.

Integrity

We uphold integrity in our professional and personal dealings. In doing so, we hope to instill a sense of responsibility and credibility in every project we undertake.

Relationships

We value every relationship that we have built with clients, consultants, sub-contractors, suppliers and other business partners. We believe the good relationships with our associates help to make every project not only successful but memorable.

Adaptability

We appreciate innovations in the industry practices, policies and technology. To better service our clients as well as to differentiate ourselves from the competition, we are ever keen to adapt to market changes and adopt new practices in order to stay ahead of the race.

"Established since 1980, Wee Hur has grown to become a reputable and reliable builder"

About Us

History

The Group's business origins date back to 1980, when five founders established the partnership Wee Hur Construction Company. In 1988, the Company was incorporated as Wee Hur Construction Pte Ltd, to cater for its growing business operations. In mid-January 2008, the Company underwent a restructuring, whereby Wee Hur Construction Pte Ltd was included as a subsidiary of Wee Hur Holdings Ltd., which was later listed on SGX-Mainboard on 30 January 2008.

Our Business

At Wee Hur, we provide quality building construction services in Singapore, as a main contractor or management contractor for both the private and public sectors.

Our scope of construction services includes:

- New Construction;
- Additions and Alterations (A&A) of existing buildings;
- Refurbishment and upgrading of existing buildings; and
- Restoration and conservation of heritage buildings

Our wide spectrum of projects includes:

- Residential projects such as condominiums, apartment buildings, landed housing and public housing;
- Commercial projects such as office buildings, hotels and shopping centres;
- Institutional projects such as schools, tertiary institutions, community clubs and hospitals;
- Industrial projects such as factories and warehouses;
- Religious buildings such as churches and temples; and
- Heritage and conservation buildings

Forms of Contracts

We undertake construction projects in the following forms of contracts:

- Conventional Contract

  The traditional and most common form of contract used in the industry to execute works in accordance with design and specifications provided by Consultants appointed by the clients.
- Design and Build Contract

  In the Design and Build contract, the builder is also responsible for the design aspect of the project. The builder will engage the Consultants and work with them from the design stage till completion.
- Management Contract

  Management Contract exists in different forms. Most of the management contracts secured by the Group involve design development.

About Us

"We encompass the spirit that spurs us to win"

Building and Construction Authority (BCA) Construction Excellence Award

Urban Redevelopment Authority (URA) Architectural Heritage Award

Enterprise 50 Awards

Clientele Profile

Over the past two decades, the Group has been providing unsurpassed service and standards in construction to various major clients in both private and public sectors. Today, Wee Hur not only has a strong and diversified portfolio but also has cultivated excellent long-term working relationships with our clients.

Major customers from private sector include:

- Ascendas Group
- Ho Bee Group
- Stream Ahead Pte Ltd
- Republic Iconic Hotel Pte Ltd (part of Millennium and Copthorne Group)
- Aquila Development Pte Ltd (part of Sime Darby Group)

Awards & Accolades

Wee Hur has garnered several prestigious awards and accolades from local government agencies in recognition of its quality standards in construction and management. We have received four awards for 'Construction Excellence' and one Certificate of Merit from Building and Construction Authority (BCA) in years 2007, 2003, 2002, 2000 and 1997 respectively. These awards are testimony to Wee Hur's high standard of workmanship, project management and technical input in completed projects.

We have also received three 'Architectural Heritage Awards' conferred by Urban Redevelopment Authority in recognition of our outstanding performance in carrying out restoration and conservation projects.

For five consecutive years since 2000, we have been ranked amongst the 'Enterprise 50' list which represents the cream of Singapore's entrepreneurship. These awards are conferred to local and privately-owned companies whose vision, entrepreneurship and determination have helped provide the second wing of economic development to drive Singapore's economy towards the status of a developed nation. In 2004, we also received the Enterprise 50 Five Years Award in recognition of our constancy in entrepreneurship for five consecutive years.

Financial Highlights

PROFIT AND LOSS HIGHLIGHTS

	FY2008 S$'000	FY2007 S$'000	FY2006 S$'000
Revenue	126,803	92,400	80,599
Gross Profit	15,389	12,625	6,734
Gross Profit Margin	12.1%	13.7%	8.4%
Profit Before Tax	9,589	8,715	3,557
Net Profit	8,017	7,121	2,757
Net Profit Margin	6.3%	7.7%	3.4%
Earning per Share* (cents)	2.50	2.22	0.86

**Earnings per share calculated based on post-invitation share capital on a fully diluted basis. Number of shares in issue based on post-invitation share capital is 321,039,000.*

BALANCE SHEET HIGHLIGHTS

	FY2008 S$'000	FY2007 S$'000	FY2006 S$'000
Property, Plant and Equipment	3,016	952	999
Trade and Other Receivables	38,248	31,751*	36,677
Cash and Cash Equivalents	24,999	9,165	2,235
Trade and Other Payables	36,260	24,631*	21,522
Net Current Assets	35,626	11,908	11,244
Total Equity	39,489	13,731	13,110

**Certain reclassifications have been made to enhance comparability with the presentation in the current year's financial statements.*

Chairman's Message

The Group's revenue achieved an improvement of 37%, crossing the $100 million mark, reaching $126.8 million in FY2008. Gross profit rose by 22% to 15.4 million with net profit up by 13% to $8.0 million

Dear Shareholders,

It is my pleasure to present you our annual report for the financial year ended 31 Dec 2008. FY2008 was a year of steady growth for Wee Hur, following our first year of listing on SGX. We believe that we have achieved success, not only in our financial performance but also in terms of business development and progression made in pursuing our strategic objectives.

Sustained Strong Growth

The past year had been a fruitful year that clearly demonstrated Wee Hur's efforts and promise to enhance shareholder value. The Group's revenue achieved an improvement of 37%, crossing the $100 million mark, reaching $126.8 million in FY2008 from $92.4 million in FY2007.

Our good performance in FY2008 is attributable to firstly, higher contributions from a few new projects with substantially higher contract values, and secondly, contributions from some projects that entered the mature stages of construction.

Gross profit rose by 22%, to $15.4 million in FY2008 from $12.6 million in FY2007. Overall, the Group's bottom line strengthened, with net profit attributable to equity holders, up by 13% to $8.0 million in FY2008 from $7.1 million in FY2007.

Earnings per share stood at 2.50 cents in FY2008 compared to 2.22 cents in FY2007[1].

The Group's balance sheet remains strong, with zero gearing and total assets of $79.1 million. Cash and cash equivalents amounted to $25.0 million. The management is confident that the strong balance sheet gives us the resources and capacity to develop our strategic plans for the future and to tide over the challenges during this current period of economic downturn.

Dividends

To thank our shareholders for their continued support, the directors recommend a final dividend of $0.01 per share for the financial period ended 31 December 2008. This is in addition to the one tier tax-exempt Interim dividend of $0.01 per share which was declared in May and paid out in June 2008.

Reaping 'Fruits' in FY2008

The year in review had been a year of 'harvest' for Wee Hur. Besides leveraging on our strong track record and reputation in the construction industry, we also capitalised on our public-listed status to garner more recognition and confidence from our business prospects and associates, thus enhancing our chances of success in project bidding. This is in line with our objective of listing the company – to create extra value for the company.

[1] *Earnings per share in FY2007 and FY2008 were calculated based on post-invitation share capital on a fully diluted basis. Number of shares in issue based on post-invitation share capital is 321,039,000.*

In addition to the two projects that were secured in early 2008 and disclosed in our previous annual report i.e. the private residential condominium project at Newton area and commercial building project at Changi Business Park, the Group also secured another two projects during the year, namely a detached house at Cove Drive, Sentosa and a public housing project, Compassvale Pearl in Sengkang.

Having clinched the Compassvale Pearl project is a significant milestone as it is the Group's first public housing project. This is a feather in the cap for our diversified portfolio. Our entry into the public sector at this point of time, is also an opportunistic move as the government will be releasing previously deferred public projects to stimulate the local construction industry during this recession. The Group believes that its move into the public sector augurs well for the long term.

During the year, the Group also upgraded its registration status with the Building and Construction Authority ("BCA") from A2 to A1, which opens up opportunities for the Group to take part in tender projects of unlimited value from the public sector. We believe that this adds to our competitive edge and further raises our profile and stature, and more importantly, helps us to achieve both short and long-term business objectives.

As at 31 December 2008, Wee Hur's order books stood at $349.7 million, which will be recognised from 2009 to 2011.

Poised to Perform

The global economic crisis has impacted negatively on most industries, with no exception for the construction industry. However, Wee Hur is confident that it will ride out the economic downturn as the Group had previously gone through difficult periods such as the Asian Financial Crisis in 1997 and the outbreak of SARS (Severe Acute Respiratory Syndrome) in 2003. During these periods, Wee Hur not only survived but grew from strength to strength, due to the longstanding track record and reputation as a quality builder.

Going forward, the Group shall continue to build on its core strengths, to deliver quality projects on time and to undertake a diverse selection of construction projects.

As the wise Chinese saying goes, "In every crisis lies an opportunity" (危机就是机会), the Group acknowledges that there may be growth opportunities even in these challenging times.

With our financial fundamentals in place, we may explore other business prospects, and should these viable and timely opportunities arise, Wee Hur will definitely consider such growth opportunities to provide enhanced value for both the Group and our shareholders.

Backed by Wee Hur's strong financial base as well as our strong, strategic management principles, the Group is poised to perform in FY2009. The Group shall continue to build on its core strengths and capitalise on them to maximise returns for shareholders.

Barring unforeseen circumstances, we look forward to yet another good year!

Appointment Changes

During the year, I have stepped down as the Managing Director, but will remain as the Executive Chairman and Director of our wholly-owned subsidiary Wee Hur Construction Pte Ltd.

The Group has appointed Goh Yew Tee as the Managing Director of Wee Hur Construction. Yew Tee has been with the company since its early days and is well-positioned to steer the company forward.

Acknowledgments

I would like to thank my Board of Directors and staff for their invaluable contribution and commitment to the Group for the past year. Finally, I would like to express my heartfelt appreciation to our clients, consultants, sub-contractors, suppliers, other business associates and, last but not least, our shareholders who have shown us continual support over the past year.

Let us work together to keep the growth momentum going!

Thank you.

Goh Yeow Lian
Executive Chairman and Managing Director

Operations Review

The construction industry saw tremendous growth in 2008. Building on the back of robust demand, S$34.6 billion worth of contracts were awarded from the public and private sectors

Construction industry in the year 2008

The construction industry saw tremendous growth during the year under review. Total value of contracts awarded in 2008 hit a record high of $34.6 billion for both public and private sectors. The strong growth was attributed largely to the robust demand from the private sector and several major public sector infrastructure projects.

During the year, Wee Hur performed fairly well. The Group secured four projects, of which three are from the private sector and one from the public sector. A total of 5 projects were also completed, with one small-scale project on a fast-track basis.

Projects completed in year 2008

Hansa Point @ CBP, a multiple-user business park development located at Plot 15, Changi Business Park. The contract value was approximately $22.7 million. The project was completed in January 2008.

Orion, a private condominium project located in District 9. This 27–storey, 46-unit single block residential project has an approximate contract value of $23.9 million. The project was completed in May 2008.

The Springside (Phases 8B1 and 11C), 17 units of three-storey terrace dwelling houses located at Springside Avenue, with an approximate contract value of $8.0 million. The project was completed in July 2008.

Poh Ern Shih Temple, an eco-friendly and elderly-friendly religious building located at Chwee Chian Road, with an approximate contract value of $18.2 million. The project was completed in December 2008.

A 2-storey, detached house with swimming pool at Cove Drive, Sentosa, with a contract value of $5.7 million. The project was secured within the year and completed on a fast track basis in December 2008.

Major on-going projects secured in year 2008 and early 2009

Standard Chartered @ Changi, a six-storey commercial building at Changi Business Park, Plot 7 & 14, for Standard Chartered Bank. The $46.6 million project was awarded by Ascendas Group. The project is expected to complete by August 2009.

Trilight,a two-block, 30-storey condominium development at Newton Road. With 152 units in total, Trilight was awarded by Ho Bee Group and valued at $99.9 million. The project is expected to complete by March 2011.

Compassvale Pearl, a 420-unit public housing project in Sengkang Neighbourhood 2 Contract 4, with an approximate value of $83.2 million. The project offers a total of 420 premium flats - 336 units of 4-room and 84 units of 5-room and is expected to complete by May 2011.

Villas @ Gilstead, a residential development project at Gilstead Road, comprising of 10 units of 3-storey semi-detached houses, 6 units of 3-storey terrace houses and 2 units of 3-storey bungalows with attic and basement and provision for a swimming pool. The project has an approximate value of $15.0 million.

Other major ongoing projects

Orange Grove Residences, a condominium project located at Orange Grove Road, awarded by Ho Bee Group in 2006. The $35.6 million development comprises of 6 five-storey blocks with a total of 60 units. The project is expected to complete by May 2009.

Hotel at Mohammed Sultan, a $43.3 million nine-storey hotel development at Mohamed Sultan Road. The project is expected to complete by September 2009.

Parkview Éclat, a high-end, 35-unit condominium located at No. 138 Grange Road. With a contract value of $73.0 million, the project is expected to complete by August 2009.

DBS Asia Hub, a nine-storey commercial building at Changi Business Park, Plot 10 & 11, which will house the backroom operations of DBS Bank. The contract valued at approximately $70.3 million was awarded by the Ascendas Group. The project is expected to complete by September 2009.

Forging Ahead

Given the unfavourable economic conditions, BCA's estimated construction demand has moderated and is likely to reach between $22.0 billion and $28.0 billion for 2009, with greater emphasis on public sector works. The Group believes that the business downturn will soften construction demand generally and affect all players in the building and construction industry. The directors recognise that the changed circumstances will pose a different set of challenges and require a different growth approach for the company.

Specifically, the Group believes that the next few years will see a competitive bidding environment whereby industry competition will intensify and margins will be squeezed as a result of lower construction demand. To this end, our two-pronged approach will be to continue our efforts to secure more projects and build on our clientele base, while constantly monitoring the Group's financial position.

The Group will adopt a pro-active approach in seeking opportunities in the public sector. We will also continue to build on our close alliances with existing and established clients such as major property developers and work closely with them to develop more quality buildings in the future.

On the financial front, the Group will focus its priorities on cost control, cash management, its cash flow and balance sheet position, as well as payment collection. Given the uncertain economic conditions over the next two years, the Group will continue to monitor, assess, manage and mitigate any risks in our business operations.

The management is optimistic about the year ahead and foresees 2009 to be a busy year as several major projects are scheduled for completion in this year.

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RESIDENTIAL

where the home and hearth is

Orion

27-storey, 46-unit condominium
@ Orange Grove Road

Client: Aquila Development Pte Ltd

Year of completion: 2008

Trilight

Two blocks of 30-storey, 152-unit condominium @ Newton Road

Client: Ho Bee Group

Year of completion: 2011

Parkview Éclat

21-storey, 35-unit condominium @ Grange Road

Client: Stream Ahead Pte Ltd

Year of completion: 2009

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INSTITUTIONAL

where learning never stops

The Capricorn

5-storey, multiple-user institutional building
@ Science Park II

Client: Ascendas Group

Year of completion: 2001

Sengkang Community Hub

5-storey community building @ Sengkang

Client: People's Association et al

Year of completion: 2004

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COMMERCIAL

where the pulse of business lies

HansaPoint @ CBP

7-storey multiple-user commercial building
@ Changi Business Park

Client: Ascendas Group

Year of completion: 2008

Courts Megastore @ Tampines

4-storey Courts retail warehouse facility @
Tampines

Client: Ascendas Group

Year of completion: 2006

Standard Chartered @ Changi

6-storey commercial building @ Changi Business Park

Client: Ascendas Group

Year of completion: 2009

DBS Asia Hub

9-storey commercial building @ Changi Business Park

Client: Ascendas Group

Year of completion: 2009

INDUSTRIAL

where great ideas are developed

The Frontier

5-storey multiple-user industrial development @ Ubi Ave 3

Client: Ascendas Group

Year of completion: 2007

Hamilton Sundstrand

Single-storey industrial development @ Changi North Rise

Client: Ascendas Group

Year of completion: 2005

CGG Veritas Hub

4-storey industrial development @Serangoon North Avenue 5

Client: Ascendas Group

Year of completion: 2007

Thales

3-storey industrial development @ Changi North Rise

Client: Ascendas Group

Year of completion: 2005

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HERITAGE AND CONSERVATION

where our cultures and traditions are preserved

The Scarlet Hotel

Restoration and conversion of old shophouses into a 84-room boutique hotel @ Erskine Road

Client: The Scarlet Hotel Pte Ltd

Year of completion: 2004

The Arts House

(formerly known as the Old Parliament House)

Conversion of the Old Parliament House to the Arts House

Client: National Arts Council

Year of completion: 2003

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RELIGIOUS

where beliefs drive our inspiration to build

Poh Ern Shih Temple

An eco-friendly and elderly friendly religious building at Chwee Chian Road

Client: Poh Ern Shih Temple

Year of completion: 2008

Church of Jesus Christ of Latter-Day Saints

Religious building @ 253 Bukit Timah Road

Client: The Church of Jesus Christ of Latter-Day Saints Singapore Limited

Year of completion: 2006

Board of Directors

Goh Yeow Lian is our Executive Chairman and Managing Director and one of the founders of our Group. He is responsible in the formulation of our Group's strategic directions and expansion plans, and managing our Group's overall business development. As our founder, he has played a pivotal role in the growth and development of our Group. He has close to 30 years of experience in the construction industry. He started his career with Hup Seng Bee Construction Private Limited in 1978. He left in 1984 to join Wee Hur Construction Company, a partnership that he established with his brothers and brothers-in-law in 1980, as its managing partner. He assumed the role of the managing director when Wee Hur Construction Pte Ltd was set up in 1988. He graduated with a Diploma in Building from Singapore Polytechnic.

Goh Yew Tee is our Executive Director and Deputy Managing Director. In January 2009, he was appointed Managing Director of our wholly-owned subsidiary, Wee Hur Construction Pte Ltd. He is responsible for the overall operation of the construction arm. He started his career with Wee Hur Construction Company since 1982. He graduated with a Diploma in Building from Singapore Polytechnic.

Goh Yeo Hwa is our Executive Director and one of our co-founders. He has accumulated over 25 years of experience in the management of construction business and site supervision since he became a working partner of Wee Hur Construction Company in 1980. Currently, Goh Yeo Hwa is involved in the site management and procurement of construction materials and equipment. He is also currently a non executive director of See Hup Seng Limited, a company listed on SGX. He received formal education up to secondary school.

Goh Yew Gee was appointed as our Non-Executive Director on 24 September 2007. He is currently the managing director of Multi-zones, a Singapore company engaged in chemical trading. Prior to setting up Multi-zones in 1987, he worked as a Sales and Marketing executive in Fu Yuan Enterprise Pte Ltd, a company engaged in chemical trading from 1981 to 1987. His business acumen and entrepreneurial experience is an asset to our Group, particularly in assisting our Group's business expansion through acquisitions, joint ventures, and strategic alliances. Goh Yew Gee holds a Diploma in Chemical Process Technology from Singapore Polytechnic.

William Teo was appointed as our Lead Independent Director on 14 December 2007. He is currently a consultant providing corporate advisory work and an independent director of four other companies in SGX, namely Eastern Holdings Ltd., See Hup Seng Limited, Sim Siang Choon Ltd and FM Holdings 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 Certified Public Accountants of Singapore. He holds a Master in Management from Asian Institute of Management, Philippines.

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 issue, issue of debentures, takeovers, mergers and acquisition and joint ventures. He started his career in legal practice with Khattar Wong & Partners in 1983. He became a Partner in Khattar Wong & Partners in 1991. In 1992, he joined Haw Par Brothers International Limited as Group General Manager where he was in charge of legal and administration matters. In 1993, he rejoined Khattar Wong & Partner as a Partner. In 1997, he joined David Lim & Partners as its Senior Partner where he was in charge of the corporate department. In 1999, he set up his own practice, Robert Wong & Co. In 2003, he joined Hee Theng Fong & Co. as a Consultant. In 2003, he joined Straits Law Practice LLC as a Director. He graduated from National University of Singapore in 1983 and was admitted as an advocate and solicitor of Supreme Court of Singapore in 1984.

Key Management

Goh Cheng Huah is our business director who is responsible for identifying and securing new projects for our Group. He joined us in 1989 as project engineer where he was responsible for supervising construction activities at our worksites. He was promoted to project manager in 1993 and subsequently to senior project manager in 1995, responsible for supervising project management teams in the execution of our construction projects. As his responsibilities in our Group grew over the years, he was promoted to business manager in 2005 where he was responsible for securing new projects for our Group. In July 2007, he rose to the position of business director. Before joining our Group, Goh Cheng Huah was an engineer at Kian Seng Construction from 1987 to 1989 where he was responsible for supervising construction activities at worksites. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore

Koh Chong Kwang has been our project director since July 2007. He is responsible for supervising project management teams in the execution of our construction projects, as well as monitoring the progress of our ongoing projects by ensuring that quality standards are met, workers' safety regulations are generally complied with and the projects are completed on schedule. He joined us in 1995 as project engineer and was promoted in 1996 to project manager. Before joining our Group, Koh Chong Kwang was a site manager at Wan Soon Construction Pte Ltd from 1992 to 1995 where he was responsible for managing construction projects. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore.

Seow Sen Joo has been the tender and contract director of our Group since July 2007. He is in charge of our tender and contract department, overseeing the preparation of tender submissions and contract administration for secured projects. He joined us in 1988 as quantity surveyor and was promoted to tender and contract manager in 1995, and made responsible for overall tender and contract administration. Before joining our Group, Seow Sen Joo was a quantity surveyor at Kim Hoe Hang Construction Pte Ltd from 1985 to 1988 where he was responsible for tender and contract administration. He holds a Diploma in Building from Singapore Polytechnic.

Gaw Chu Lan has been the administration and finance director of our Group since July 2007 and is responsible for the overall administrative and financial functions of our Group. She joined Wee Hur Construction Company in 1985 and continued her employment with Wee Wur Construction Pte Ltd after its incorporation. She started as an administrator and was subsequently promoted to administration and finance manager in 1995. Prior to joining Wee Hur Construction Company, Gaw Chu Lan was an administration assistant with Hup Seng Bee Construction Private Limited from 1982 to 1985. She received formal education up to pre-university level and attained a GCE "A" Level certification.

Phua Chong Boon, Bernard is the financial controller of our Group since April 2008. He graduated with a Bachelor of Accountancy degree from the University of Singapore in May 1979. He is a non-practising member of the Institute of Certified Public Accountants of Singapore. Mr Phua has about 29 years of financial and accounting experience working for companies in the information technology, electronics, shipping, services, broadcasting industries.

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 Secretary
Ms Tan Ching Chek and Ms Lo Swee Oi, ACIS

Registered Office
39 Kim Keat Road
Wee Hur Building
Singapore 328814

Share Registrar and Share Transfer Office
Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street
#08-01 Samsung Hub
Singapore 049483

Auditors
Ng, Lee & Associates - DFK
Certified Public Accountants
137 Cecil Street
#06-00 Aviva Building
Singapore 069537

Partner-in-charge:
Poh Mui Hwa
(Appointment with effect from financial year ended 31 December 2007)

Principal Bankers
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

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 2005 ("the Code"). The Code forms part of the continuing obligation of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

Principle 1 : The Board's Conduct of its Affairs

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

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

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

In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda enabling the Directors to make informed decisions. The number of Board and Board Committee meetings held in the FY2008 is as follows:

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No. of meetings held	4	4	1	1
Attendance				
Mr Goh Yeow Lian	4	4*	1*	1*
Mr Goh Yew Tee	4	4*	1*	1*
Mr Goh Yeo Hwa	4	4*	1*	1*
Mr Goh Yew Gee	4	4	1	1
Mr Teo Choon Kow @ William Teo	4	4	1	1
Mr Wong Kwan Seng Robert	4	4	1	1

* attendance by invitation

Corporate Governance Report

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

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

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

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

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

(v) Evaluating performance of management; and

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

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

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

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

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

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

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

Principle 2 : Board Composition and Guidance

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

Corporate Governance Report

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

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

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

Principle 3: Executive Chairman and Managing Director

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

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

Principle 4 : Board Membership
Principle 5 : Board Performance

Board Membership

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

Mr Wong Kwan Seng Robert - Chairman
Mr Teo Choon Kow @ William Teo - Member
Mr Goh Yew Gee - Member

Mr Wong Kwan Seng Robert and Mr Teo Choon Kow @ William Teo are Independent Directors. Mr 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 structure, size and composition, and making recommendations to the Board with regards to any adjustments that are deemed necessary;

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

Corporate Governance Report

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

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

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

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

The NC has recommended Mr Goh Yeo Hwa and Mr Goh Yew Gee, who are retiring at the forthcoming Annual General Meeting, to be re-elected. All the directors are retiring under Article 107 of the Company's Articles of Association. The retiring directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

The 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 possess 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.

Informal evaluation of the performance of the Board will be undertaken on a continuous basis by the NC with input from other Board members and the Executive Chairman. The Executive Chairman will act on the results of the evaluation and where appropriate and in consultation with the NC, will propose the appointment of new directors or seek the resignation of current Directors. Renewal or replacement of directors do not necessarily reflect their contribution to date; it may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

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

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

Principle 6 : Access to Information

All Directors receive a set of Board papers that include explanatory information relating to matters to be brought before the Board, copies of disclosure notes and internal group 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 prepare for Board meetings.

Corporate Governance Report

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

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

Principle 7 : Procedures for Developing Remuneration Policies
Principle 8 : Level & Mix of Remuneration
Principle 9 : Disclosure of Remuneration

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

Mr Teo Choon Kow @ William Teo - Chairman
Mr Wong Kwan Seng Robert - Member
Mr Goh Yew Gee - Member

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

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

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

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

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

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

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration package of the Executive Chairman and Managing Director, includes a variable performance bonus.

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

Corporate Governance Report

The following table shows the remuneration of Directors and key executives disclose in bands for the financial year ended 31 December 2008:

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors					
Above $750,000					
Mr Goh Yeow Lian	–	19	76	5	100
$250,000 to $499,000					
Mr Goh Yew Tee	–	58	26	16	100
Below $250,000					
Mr Teo Choon Kow @ William Teo	100*	–	–	–	100
Mr Wong Kwan Seng Robert	100*	–	–	–	100
Mr Goh Yew Gee	100*	–	–	–	100
Mr Goh Yeo Hwa	–	57	24	19	100
Key Executives					
$250,000 to $499,000					
Mr Seow Sen Joo	–	40	51	9	100
Mr Goh Cheng Huah	–	42	51	7	100
Mr Koh Chong Kwang	–	41	50	9	100
Below $250,000					
Mr Goh Yeu Toh#	–	51	23	26	100
Mr Cheng Kiang Huat#	–	51	23	26	100
Mr Sua Nam Heng#	–	51	23	26	100
Ms Gaw Chu Lan(1)	–	56	44	–	100
Mr Phua Chong Boon(2)	–	100	–	–	100

* These fees are subject to approval by shareholders as a lump sum at the forthcoming AGM.

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

Mr Goh Yeow Lian, Mr Goh Yew Gee, Mr Goh Yew Tee, Mr Goh Yeo Hwa and Mr Goh Yeu Toh ("Messrs Goh") are brothers. Mr Cheng Kiang Huat and Mr Sua Nam Heng are brothers-in-law of Messrs Goh.

(1) Ms Gaw Chu Lan is the sister of Messrs Goh.

(2) Mr Phua Chong Boon joined the Group on 24 April 2008 as Financial Controller.

Other than those disclosed above, no employee of the Group was an immediate family member of a director whose remuneration exceeded $150,000 for the financial year ended 31 December 2008.

The Company does not have a share option scheme.

Corporate Governance Report

Principle 10 : Accountability

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

In preparing the financial statements, the Directors have:

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

(ii) Made 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 enquires, that the Group and Company have adequate resources to continue operations for the foreseeable future.

Principle 11 : Audit Committee
Principle 12 : Internal Controls

The Audit Committee ("AC") comprises the following Directors:

Mr Teo Choon Kow @ William Teo - Chairman
Mr Wong Kwan Seng Robert - Member
Mr Goh Yew Gee - Member

Mr Teo Choon Kow @ William Teo and Mr Wong Kwan Seng Robert are Independent Directors. Mr 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 auditors the scope and results of the audit, system of internal control, 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 all non-audit services provided by external auditors so as to ensure that any provision of such services would not affect the independence and objectivity of external auditors; and

(vi) consider and recommend the appointment or re-appointment of the external auditors.

Corporate Governance Report

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

The AC has met with the External Auditors of the Company (the "External Auditors") without the presence of the management. The AC also met with the External Auditors to discuss the results of their examinations and their evaluation of the systems of internal accounting controls.

The AC has reviewed the amount of non-audit fees paid to the External Auditors and is of the view that the provision of the non audit services does not compromise the independence of the External Auditors. The AC has recommended to the Board the re-appointment of Messrs Ng, Lee & Associates - DFK for the year ending 31 December 2009.

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

Principle 13 : Internal Audit

The Company has appointed Alfred PF Shee & Co as Internal Auditors in FY2008. The Internal Auditors plans its audit schedules in consultation with the Management and its plans is submitted to the AC for approval. The AC reviews and approves the internal audit plans and resources to ensure that Alfred PF Shee & Co has the necessary resources to adequately perform its functions. The AC has also reviewed and they believed that the Internal Auditors is independent and has the appropriate standing to perform its functions effectively. Based on the information provided to the AC, nothing came to the AC's attention to cause the AC to believe that the system internal controls is inadequate.

Principle 14 : Communication with Shareholders
Principle 15 : Shareholder Participation

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

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of AGM and circulars and notices pertaining to any Extraordinary General Meetings of the Company. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company by proxies. Separate resolutions on each distinct issue are requisite.

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

Corporate Governance Report

DEALINGS IN SECURITIES

The Company has adopted an internal code which prohibits dealings in the securities of the Company by directors and officers while in possession of price-sensitive information. The directors and officers are prohibited from dealing in 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.

DISCLOSURE OF MATERIAL CONTRACTS

There is no material contract entered into by the Company or any of its subsidiaries involving the interests of any Directors.

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 FY2008 is stated in the following table:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
WM Development Pte Ltd	S$120,000

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

USE OF IPO PROCEEDS

The Company refers to the net IPO proceeds amounting to S$17.9 million raised from the initial public offering of its shares on 21st January 2008, of which $8.5 million has been utilized to increase the issued and paid-up capital of Wee Hur Construction Pte Ltd ("Wee Hur Construction"), the wholly-owned subsidiary of the Company. The funds have been utilized by Wee Hur Construction as working capital for the following projects:

		Amount S$
i)	Parkview Eclat project	2.4 million
ii)	Commercial building projects at Changi Business Park	2.3 million
iii)	All other ongoing and upcoming projects	3.8 million
	Total Amount Utilized	8.5 million

Report of the Directors

For the financial year ended 31 December 2008

The directors present their report to the members together with the audited consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2008.

DIRECTORS

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

Executive Chairman and Managing Director
Goh Yeow Lian

Executive Directors
Goh Yew Tee
Goh Yeo Hwa

Non-Executive Directors
Goh Yew Gee
Teo Choon Kow @ William Teo
Wong Kwan Seng Robert

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, except as follows:

	Shareholdings registered in the name of directors			**Shareholdings in which directors are deemed to have an interest**		
Name of directors and companies in which interests are held	At 1.1.2008	At 31.12.2008	At 21.1.2009	At 1.1.2008	At 31.12.2008	At 21.1.2009
The Company						
Wee Hur Holdings Ltd.						
Ordinary shares						
Goh Yeow Lian	598,180	19,062,636	21,062,636	3,891,000	128,403,000	128,403,000
Goh Yew Tee	299,090	9,531,318	9,531,318	–	–	–
Goh Yeo Hwa	380,660	13,130,769	13,130,769	–	–	–
Goh Yew Gee	217,520	7,178,160	7,178,160	–	–	–
Wong Kwan Seng Robert	–	100,000	100,000	–	–	–

Report of the Directors

For the financial year ended 31 December 2008

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interests are held	At 1.1.2008	At 31.12.2008	At 21.1.2009	At 1.1.2008	At 31.12.2008	At 21.1.2009
Subsidiary						
Wee Hur Construction Pte Ltd						
Ordinary shares						
Goh Yeow Lian	–	–	–	6,500,000	15,000,000	15,000,000

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Mr. Goh Yeow Lian is deemed to have an interest in the subsidiary of the Company.

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed by section 201(8) of the Singapore Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from the subsidiary in their capacity as directors and/or executives of the subsidiary.

SHARE OPTIONS

During the financial year, no option to take up unissued shares of the Company or any subsidiary in the Group was granted, and there were no shares of the Company or any subsidiary 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 subsidiary in the Group under option.

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this report are:

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

The Audit Committee consists of 3 non-executive directors, of whom Mr Teo Choon Kow @ William Teo and Mr Wong Kwan Seng Robert are independent directors.

Report of the Directors

For the financial year ended 31 December 2008

AUDIT COMMITTEE (Cont'd)

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance. Those functions include the reviews of the following:

(a) the scope and the results of the internal audit procedures with the internal auditors;

(b) the audit plan of the Company's external auditors;

(c) the assistance given by the Company's management to the external auditors;

(d) the quarterly financial information, the financial statements of the Company and the consolidated financial statements of the Group before their submission to the board of directors, as well as the external auditors' report on those financial statements; and

(e) interested person transactions (as defined in the Listing Manual of SGX-ST).

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the board of directors that the auditors, Ng, Lee & Associates – DFK, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, Ng, Lee & Associates – DFK, have expressed their willingness to accept re-appointment.

On behalf of the board of directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

25 February 2009

Statement by Directors

For the financial year ended 31 December 2008

In our opinion,

(a) the financial statements set out on pages 40 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

On behalf of the board of directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

25 February 2009

Independent Auditors' Report

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

We have audited the accompanying financial statements of Wee Hur Holdings Ltd. (the "Company") and its subsidiary (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 74.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report

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

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ng, Lee & Associates – DFK
Public Accountants and
Certified Public Accountants

Singapore
25 February 2009

Balance Sheets

As at 31 December 2008

		GROUP		COMPANY	
	Note	2008 S$	2007 S$	2008 S$	2007 S$
ASSETS					
Current assets					
Cash and cash equivalents	6	24,998,539	9,165,392	12,428,668	1,312,148
Trade and other receivables	7	38,247,950	31,751,053	4,610,410	1,837,668
Prepayments		66,493	159,531	25,625	–
Gross amount due from customers for contract work-in-progress	8	11,896,037	1,900,800	–	–
Total current assets		75,209,019	42,976,776	17,064,703	3,149,816
Non-current assets					
Property, plant and equipment	9	3,016,329	951,838	–	–
Investment property	10	896,695	922,315	–	–
Subsidiary	11	–	–	15,109,998	6,609,998
Total non-current assets		3,913,024	1,874,153	15,109,998	6,609,998
Total assets		79,122,043	44,850,929	32,174,701	9,759,814
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	12	36,259,787	24,631,429	1,314,607	206,655
Convertible loan	13	–	3,000,000	–	3,000,000
Gross amount due to customers for contract work-in-progress	8	1,746,085	1,503,571	–	–
Finance lease liabilities	14	–	30,537	–	–
Provisions	15	5,000	200,000	–	–
Income tax payable		1,572,025	1,703,389	22,025	–
Total current liabilities		39,582,897	31,068,926	1,336,632	3,206,655
Non-current liabilities					
Deferred tax liabilities	16	50,607	50,607	–	–
Total non-current liabilities		50,607	50,607	–	–
Equity attributable to equity holders of the Company					
Share capital	17	27,560,513	6,610,000	27,560,513	6,610,000
Merger deficit	18	(109,998)	(109,998)	–	–
Retained earnings/(accumulated losses)		12,038,024	7,231,394	3,277,556	(56,841)
Total equity		39,488,539	13,731,396	30,838,069	6,553,159
Total liabilities and equity		79,122,043	44,850,929	32,174,701	9,759,814

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

Consolidated Income Statement

For the financial year ended 31 December 2008

	Note	GROUP 2008 S$	GROUP 2007 S$
Revenue	19	126,802,945	92,399,552
Cost of work done		(111,413,968)	(79,774,190)
Gross profit		15,388,977	12,625,362
Investment income	20	179,485	81,055
Other gains	21	223,475	158,772
Administrative expenses		(6,200,226)	(4,147,071)
Interest expense on finance lease liabilities		(2,613)	(2,850)
Profit before income tax	22	9,589,098	8,715,268
Income tax expense	23	(1,572,078)	(1,594,140)
Profit for the financial year		8,017,020	7,121,128
Earnings per share (cents):			
Basic/diluted	24	2.63	2.94

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

Statements of Changes in Equity

For the financial year ended 31 December 2008

	Share Capital S$	Merger deficit S$	Retained earnings S$	Total equity S$
Group				
Balance at 1 January 2007	6,610,000	(109,998)	6,610,266	13,110,268
Total recognised income, representing profit for the financial year	–	–	7,121,128	7,121,128
Dividends paid (Note 25)	–	–	(6,500,000)	(6,500,000)
Balance at 31 December 2007	6,610,000	(109,998)	7,231,394	13,731,396
Total recognised income, representing profit for the financial year	–	–	8,017,020	8,017,020
Dividends paid (Note 25)	–	–	(3,210,390)	(3,210,390)
Issue of shares pursuant to the convertible loan agreement (Note 17)	3,000,000	–	–	3,000,000
Issue of shares pursuant to the initial public offering of the Company (Note 17)	19,727,250	–	–	19,727,250
Share issue expenses in connection with the initial public offering of the Company (Note 17)	(1,776,737)	–	–	(1,776,737)
Balance at 31 December 2008	27,560,513	(109,998)	12,038,024	39,488,539

	Share capital S$	(Accumulated losses)/ retained earnings S$	Total equity S$
Company			
Balance at 29 December 2006, date of incorporation	2	–	2
Total recognised expense, representing loss for the financial year	–	(56,841)	(56,841)
Issue of shares pursuant to a restructuring exercise	6,609,998	–	6,609,998
Balance at 31 December 2007	6,610,000	(56,841)	6,553,159
Total recognised income, representing profit for the financial year	–	6,544,787	6,544,787
Dividends paid (Note 25)	–	(3,210,390)	(3,210,390)
Issue of shares pursuant to the convertible loan agreement (Note 17)	3,000,000	–	3,000,000
Issue of shares pursuant to the initial public offering of the Company (Note 17)	19,727,250	–	19,727,250
Share issue expenses in connection with the initial public offering of the Company (Note 17)	(1,776,737)	–	(1,776,737)
Balance at 31 December 2008	27,560,513	3,277,556	30,838,069

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2008

	GROUP	
	2008	2007
	S$	S$
Operating activities		
Profit before income tax	9,589,098	8,715,268
Adjustments for:		
Depreciation of property, plant and equipment	557,372	305,120
Depreciation of investment property	25,620	25,620
Gain on disposal of property, plant and equipment	–	(148,464)
Interest income	(107,818)	(11,055)
Interest expense	2,613	2,850
Operating cash flows before changes in working capital	10,066,885	8,889,339
Trade and other receivables	(6,496,897)	4,898,343
Prepayments	93,038	(131,582)
Net increase in gross amount due from customers for contract work-in-progress	(9,752,723)	(5,596,612)
Trade and other payables	11,628,358	3,109,546
Provisions	(195,000)	200,000
Cash generated from operations	5,343,661	11,369,034
Interest received	107,818	11,055
Income tax paid	(1,703,442)	(804,209)
Net cash from operating activities	3,748,037	10,575,880
Investing activities		
Purchase of property, plant and equipment	(2,621,863)	(309,217)
Proceeds from disposal of property, plant and equipment	–	200,000
Net cash used in investing activities	(2,621,863)	(109,217)
Financing activities		
Proceeds from issue of shares (net of share issue expenses)	17,950,513	–
Repayment of liabilities under finance lease	(30,537)	(33,342)
Interest on finance lease liabilities	(2,613)	(2,850)
Movement in cash at bank pledged	(1,586,838)	–
Movement in fixed deposits pledged	87,313	–
Proceeds from issue of convertible loan	–	3,000,000
Dividends paid	(3,210,390)	(6,500,000)
Net cash from/(used in) financing activities	13,207,448	(3,536,192)
Net increase in cash and cash equivalents	14,333,622	6,930,471
Cash and cash equivalents at beginning of the financial year	9,078,079	2,147,608
Cash and cash equivalents at end of the financial year (Note 6)	23,411,701	9,078,079

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

Notes to the Financial Statements

For the financial year ended 31 December 2008

1. GENERAL

The Company (Registration Number 200619510K) is incorporated in Singapore with its principal place of business and registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary are disclosed in Note 11.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2008 were authorised for issue by the board of directors on 25 February 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The individual financial statements of each entity in the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollar, which is the functional currency of the Company.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 3.

(b) Adoption of new and revised standards

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2008. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or previous financial years.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Adoption of new and revised standards (Cont'd)

At the balance sheet date, the following FRS, INT FRS and amendments to FRS were issued but not yet effective:

FRS 1	*Presentation of Financial Statements* (Revised)
FRS 1	*Presentation of Financial Statements* (Amendments relating to puttable financial instruments and obligations arising from liquidation) (*)
FRS 23	*Borrowing Costs* (Revised) *(*)*
FRS 32	*Financial Instruments: Presentation* (Amendments relating to puttable financial instruments and obligations arising from liquidation) (*)
FRS 102	*Share-based Payment* (Amendments relating to Vesting Conditions and Cancellations)
FRS 108	*Operating Segments*
INT FRS 113	*Customer Loyalty Programmes (*)*
INT FRS 116	*Hedges of a Net Investment in a Foreign Operation (*)*

(*) Not relevant to the entity

Consequential amendments were also made to various standards as a result of these new/revised standards. The management has not considered the impact of FRS, INT FRS and amendments to FRS issued after the balance sheet date.

The management anticipates that the adoption of the above FRS, INT FRS and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

(i) FRS 1 *Presentation of Financial Statements* (Revised)

FRS 1(Revised) will be effective for annual periods beginning on or after 1 January 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRS.

(ii) FRS 108 *Operating Segments*

FRS 108 will be effective for annual periods beginning on or after 1 January 2009 and supersedes FRS 14 Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Consolidation

Business combinations – entities under common control

The Group was formed during the financial year ended 31 December 2007 pursuant to a restructuring exercise undertaken for the purpose of the listing of the Company's shares on SGX-ST. Acquisition of a subsidiary under common control pursuant to the restructuring exercise has been consolidated using the "pooling-of-interest" method. Under the "pooling-of-interest" method, the consolidated financial statements of the Group have been presented as if the Group structure immediately after the restructuring exercise has been in existence since the earliest financial year presented and the assets and liabilities are bought into the consolidated financial statements at their existing carrying amounts. Any difference between the nominal value of the Company's shares issued in exchange for the nominal value of the shares in the subsidiary acquired is recognised in equity.

Business combinations - others

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, representing goodwill, is stated at cost less accumulated impairment losses. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Group.

Balances and transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Company

Investment in subsidiaries are stated in the Company's balance sheet at cost less any accumulated impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Financial assets

Financial assets of the Group comprise loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 maturing 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" and "Cash and cash equivalents" on the balance sheet.

Recognition and derecognition

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Any 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 net sale proceeds and the carrying amount is recognised in the income statement.

Measurement

Loans and receivables are measured at fair value plus transaction costs upon initial recognition, and are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets

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.

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 in the income statement.

The allowance for impairment loss account is reduced through the income statement 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.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Construction contracts

Where 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, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

Where 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. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. A variation or a claim is recognised as 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.

At the balance sheet date, the aggregated costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented on the balance sheet as "Gross amount due from customers for contract work-in-progress". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as "Gross amount due to customers for contract work-in-progress".

(f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognsied in the income statement as incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Property, plant and equipment (Cont'd)

Depreciation on property, plant and equipment is recognised in the income statement using a straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Years of estimated useful lives
Leasehold property	11
Container office and furniture	10
Renovation and air-conditioners	5
Equipment and machinery	10
Motor vehicles	5-10
Computers	1

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each balance sheet date. The effect of any changes in estimate is accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising from disposal or retirement of an item of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the asset, and that gain or loss is recognised in the income statement.

(g) Investment property

Investment property is a property held either to earn rental income or capital appreciation or both.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognised in the income statement using a straight-line method to allocate the depreciable amount over estimated useful lives of 50 years.

Depreciation method, useful life and residual value are reviewed, and adjusted as appropriate, at each balance sheet date. The effect of any changes in estimate is accounted for on a prospective basis.

The gain or loss arising from disposal or retirement of an investment property is determined as the difference between the disposal proceeds and the carrying amount of the asset, and that gain or loss is recognised in the income statement.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Impairment of non-financial assets

Property, plant and equipment
Investment property
Subsidiary

At each balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in previous financial years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Financial liabilities

Financial liabilities of the Group include trade and other payables and borrowings.

Recognition and derecognition

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the obligations under the liabilities are discharged, cancelled or have expired.

Measurement

Upon initial recognition, trade and other payables and convertible loan are measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. Finance lease liabilities are accounted for in accordance with the Group's accounting policy on leases.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Financial guarantees

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

Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Financial guarantee contracts are subsequently amortised to the income statement over the period of the subsidiary's borrowings, unless the Company has incurred an obligation to reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the financial institutions.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's accounting policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Leases (Cont'd)

The Group as lessee (Cont'd)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Employee benefits

Defined contribution plans

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. The Group's contributions to defined contribution plans are recognised as an expense when they are due, unless they can be capitalised as an asset.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the balance sheet date.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are recognised as a deduction against share capital.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from construction contracts

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts.

Interest income

Interest income is recognised using the effective interest method.

Rental income

Rental income from investment property is accounted for on a straight-line basis over the term of the relevant lease. The aggregate costs of any incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Dividend income

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

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for its intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(q) Dividends to the Company's shareholders

Interim dividends to the Company's shareholders are recorded during the period in which the dividends are declared payable. Final dividends are recognised when the dividends are approved for payment.

Notes to the Financial Statements

For the financial year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable rights to offset current tax liabilities and assets and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, any bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(t) Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Notes to the Financial Statements

For the financial year ended 31 December 2008

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are evaluated on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these financial statements is disclosed below.

(a) Construction contracts

The Group recognises contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable or based on the stage of completion method depending on whether the outcome of the contract can be measured reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Significant judgement is required in determining the stage of completion, the estimated total contract revenue and estimated total contract cost, as well as the recoverability of the contract cost incurred.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience, knowledge of project personnel and/or work of relevant professionals.

Estimated total contract cost for construction contract comprises direct costs attributable to the construction of each property. In estimating the total budgeted costs for construction contracts, management makes reference to information such as current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation on construction and material costs as well as its past experience.

The carrying amounts of assets and liabilities arising from construction contracts at the balance sheet date are disclosed in Note 8.

(b) Property, plant and equipment and investment property

The Group has substantial property, plant and equipment and investment property and the annual depreciation of property, plant and equipment and investment property forms a significant component of total expense charged to the income statement. In addition, the Group has to assess whether its property, plant and equipment and investment property are impaired. The Group reviews the value in use, residual values and estimated useful lives of property, plant and equipment and investment property at each balance sheet date in accordance with the accounting policies described in Note 2. The carrying amounts of the Group's property, plant and equipment and investment property at 31 December 2008 are S$3,016,329 (2007: S$951,838) and S$896,695 (2007: S$922,315) respectively. The Group's depreciation expenses of property, plant and equipment and investment property for the current financial year are S$557,372 (2007: S$305,120) and S$25,620 (2007: S$25,620) respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2008

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont'd)

(c) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in repayments.

If financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, allowance for impairment may be required in future periods.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	GROUP		COMPANY	
	2008	2007	2008	2007
	S$	S$	S$	S$
Financial assets				
Loans and receivables (including cash and cash equivalents)	63,246,489	40,093,432	17,039,078	2,326,803
Financial liabilities				
Amortised cost	36,259,787	27,661,966	1,314,607	3,206,655

Financial risk management policies and objectives

The Group has a system of financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The board of directors provides principles for overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk, cash flow interest rate risk and investing excess cash. Such policies are reviewed annually by the board of directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the management in accordance with the policies approved by the board of directors.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures, if any, are measured using sensitivity analysis.

Notes to the Financial Statements

For the financial year ended 31 December 2008

4. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Cont'd)

Foreign exchange risk management

The Group's exposure to foreign exchange risk is immaterial because the Group's activities are mainly conducted in Singapore dollars. Nevertheless, exposure to foreign exchange risk is monitored on an on-going basis and the Group endeavours to keep the exposure at an acceptable level.

Interest rate risk management

The Group's exposure to interest rates relates primarily to interest-bearing financial assets and financial liabilities. Interest rates of these interest-bearing financial assets and financial liabilities can be found in Note 6 and Note 14 respectively. Interest rate risk is managed by the Group on an on-going basis to ensure that interest rates are in line with market rates.

The Group's policy is to maintain cash and cash equivalents in fixed rate instruments. The interest rates for finance lease liabilities are fixed on the date of inception, any variation in the short-term interest rates will not have a material impact on the results of the Group.

No sensitivity analysis is prepared as the Group does not expect any material impacts on profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the balance sheet date.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In addition, on-going credit evaluation is performed on the financial conditions of accounts receivable.

Except as disclosed in Note 7, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

At the balance sheet date, the carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Note 7.

Liquidity risk management

All the financial assets and financial liabilities of the Group and of the Company are due on demand or not later than 1 financial year. The Group maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities. The board of directors finance the Group's liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available. At the balance sheet date, the Group has undrawn committed bank facilities of approximately S$14 million (2007: S$12 million).

Notes to the Financial Statements

For the financial year ended 31 December 2008

4. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities.

	Weighted average effective interest rate %	On demand or not later than 1 financial year S$
Group		
2008		
Non-interest bearing instruments	–	36,259,787
2007		
Non-interest bearing instruments	–	27,631,429
Finance lease liabilities (fixed rate)	5.72	30,537
		27,661,966
Company		
2008		
Non-interest bearing instruments	–	1,314,607
2007		
Non-interest bearing instruments	–	3,206,655

Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables, trade and other current payables, provisions, and any other current financial assets and current financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities, if any, are disclosed in the respective notes to the financial statements.

The fair values of financial assets and financial liabilities are determined by the methods as described in the following paragraphs except as disclosed otherwise in the notes to the financial statements:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Notes to the Financial Statements

For the financial year ended 31 December 2008

4. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Cont'd)

Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings (Notes 12 to 14) less cash and cash equivalents, and equity attributable to equity holders of the Company, comprising retained earnings, plus share capital and reserves as disclosed in Notes 17 to 18.

The board of directors reviews the capital structure regularly. As a part of this review, the board of directors considers the cost of capital and the risks associated with each class of capital. Based on this review, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Company and its subsidiary are not subject to externally imposed capital requirements. The Group's overall strategy remains unchanged from the previous financial year.

5. RELATED PARTY TRANSACTIONS

Related parties include entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances between these parties are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, the following transactions took place between group entities and related parties at terms agreed between the parties:

	GROUP	
	2008	**2007**
	S$	**S$**
Accounting and administrative services rendered	(5,000)	–
Purchase of raw materials	9,343	–
Rental expense	120,000	93,000
Rental income	(24,000)	(33,000)
Revenue from construction contracts	–	(4,284,559)

Notes to the Financial Statements

For the financial year ended 31 December 2008

5. RELATED PARTY TRANSACTIONS (Cont'd)

Key management personnel compensation

The remuneration of directors and other members of key management during the financial year was as follows:

	GROUP	
	2008 S$	2007 S$
Salaries and other short-term benefits	2,867,555	1,396,722
Employer's contributions to Central Provident Fund	91,909	77,655
Directors' fees	100,000	15,000
	3,059,464	1,489,377

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

6. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2008 S$	2007 S$	2008 S$	2007 S$
Cash at bank and on hand	23,682,485	7,768,313	11,112,614	9,878
Fixed deposits	1,316,054	1,397,079	1,316,054	1,302,270
Cash and cash equivalents	24,998,539	9,165,392	12,428,668	1,312,148
Less : cash at bank pledged	(1,586,838)	–		
Less : fixed deposits pledged	–	(87,313)		
Cash and cash equivalents in consolidated cash flow statement	23,411,701	9,078,079		

Cash and bank balances comprise cash balances and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values. Cash at bank pledged and fixed deposits pledged represent bank deposits of the Group pledged as securities to obtain banking facilities.

Fixed deposits of the Group and the Company bear average effective interest rate of 0.91% (2007: 2.3%) per annum and 0.91%.(2007: 2.13%) per annum respectively and are placed for an average tenure of 30 days (2007: 60 days) and 30 days (2007: 30 days) respectively. Cash and cash equivalents are denominated in the functional currencies of the respective entities.

Notes to the Financial Statements

For the financial year ended 31 December 2008

7. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	S$	S$	S$	S$
Trade receivables:				
Subsidiary	–	–	4,610,000	–
Related parties	5,350	2,104,380	–	–
Non-related parties	33,978,965	26,657,254	–	–
Retention sums on construction contracts	4,116,303	1,995,443	–	–
	38,100,618	30,757,077	4,610,000	–
Advances to subsidiary	–	–	–	1,013,366
Advances to staff	26,825	16,807	–	–
Deposits	120,097	152,867	–	–
Deferred expenses	–	823,013	–	823,013
Sundry receivables	410	1,289	410	1,289
	38,247,950	31,751,053	4,610,410	1,837,668

Trade receivables are non-interest bearing and generally on 30 to 35-day (2007: 30 to 35-day) terms. The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. If a customer is independently rated, these ratings are used. Otherwise, the credit quality of the customer is assessed after taking into account its financial position and the Group's past experience with the customer. Of the trade receivables balance at end of the financial year, approximately S$21 million (2007: S$18 million) is due from a non-related party, which is also the Group's largest customer.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the balance sheet date. The concentration of credit risk is limited due to the customer base being unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of any allowance for impairment.

The ageing of trade receivables at the balance sheet date is:

	2008	2007
	S$	S$
Group		
Not past due and not impaired	36,661,619	27,464,326
Past due 0 -30 days but not impaired	1,120,111	2,258,359
Past due 31 - 60 days but not impaired	58,185	259,871
Past due 61 - 90 days but not impaired	25,111	11,290
Past due more than 90 days but not impaired	235,592	763,231
	38,100,618	30,757,077

Notes to the Financial Statements

For the financial year ended 31 December 2008

7. TRADE AND OTHER RECEIVABLES (Cont'd)

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due up to 90 days. These receivables are mainly arising by customers that have good repayment records with the Group. Included in trade receivables is an amount of S$235,592 (2007: S$763,231) which is past due for more than 90 days for which the Group has not provided for any allowance as the directors are of the opinion that these receivables are recoverable. The Group does not hold any collateral over these balances.

Trade receivables that are individually determined to be impaired at the balance sheet date, if any, relate to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Included in trade receivables is an amount of S$12,890,098 (2007: S$4,152,283) which has been assigned for banking facilities granted to the Group.

Other receivables are unsecured, interest-free and repayable on demand. The Group has not made any allowance for other receivables as the directors are of the opinion that these receivables are recoverable.

Deferred expenses are expenditure incurred in connection with the listing of the Company's shares on SGX-ST. The balance of $823,013 at 31 December 2007 has been adjusted against share capital during the financial year (Note 17). Included in this amount is non-audit fee of S$181,000 paid to the Company's auditors for services rendered as Reporting Accountants to the initial public offering of the Company.

Trade and other receivables are denominated in the functional currencies of the respective entities.

8. CONSTRUCTION CONTRACTS

	GROUP	
	2008	**2007**
	S$	**S$**
Contract costs incurred to date	107,601,350	60,172,877
Recognised profits (less recognised losses) to date	16,081,413	2,702,488
	123,682,763	62,875,365
Less: Progress billings	(113,532,811)	(62,478,136)
	10,149,952	397,229
Presented as:		
Gross amount due from customers for contract work-in-progress	11,896,037	1,900,800
Gross amount due to customers for contract work-in-progress	(1,746,085)	(1,503,571)
	10,149,952	397,229

Notes to the Financial Statements

For the financial year ended 31 December 2008

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property S$	Container office and furniture S$	Renovation and air-conditioners S$	Equipment and machinery S$	Motor vehicles S$	Computers S$	Total S$
Group							
Cost							
At 1 January 2007	1,519,000	234,603	272,651	1,276,244	380,623	327,792	4,010,913
Additions	–	89,497	38,753	106,311	–	74,656	309,217
Disposals	–	(72,080)	–	(570,000)	–	(4,176)	(646,256)
At 31 December 2007	1,519,000	252,020	311,404	812,555	380,623	398,272	3,673,874
Additions	–	25,941	36,854	2,487,457	–	71,611	2,621,863
Disposals	–	(4,200)	–	(62,900)	–	–	(67,100)
At 31 December 2008	1,519,000	273,761	348,258	3,237,112	380,623	469,883	6,228,637
Accumulated depreciation							
At 1 January 2007	966,636	179,652	268,137	954,542	314,877	327,792	3,011,636
Depreciation	138,091	14,732	9,154	54,599	13,888	74,656	305,120
Disposals	–	(72,080)	–	(518,464)	–	(4,176)	(594,720)
At 31 December 2007	1,104,727	122,304	277,291	490,677	328,765	398,272	2,722,036
Depreciation	138,091	22,956	16,524	294,301	13,889	71,611	557,372
Disposals	–	(4,200)	–	(62,900)	–	–	(67,100)
At 31 December 2008	1,242,818	141,060	293,815	722,078	342,654	469,883	3,212,308
Carrying amount							
At 31 December 2008	276,182	132,701	54,443	2,515,034	37,969	–	3,016,329
At 31 December 2007	414,273	129,716	34,113	321,878	51,858	–	951,838

The carrying amount of leasehold property mortgaged for banking facilities is S$ Nil (2007: S$ 414,273).

At 31 December 2008, the carrying amount of equipment and machinery includes an amount of S$ Nil (2007: S$135,828) held under finance leases.

Notes to the Financial Statements

For the financial year ended 31 December 2008

10. INVESTMENT PROPERTY

	GROUP S$
Cost	
At 1 January 2007, at 31 December 2007 and **at 31 December 2008**	1,280,993
Accumulated depreciation	
At 1 January 2007	333,058
Depreciation	25,620
At 31 December 2007	358,678
Depreciation	25,620
At 31 December 2008	384,298
Carrying amount	
At 31 December 2008	896,695
At 31 December 2007	922,315

The carrying amount of investment property mortgaged for banking facilities is S$896,695 (2007: S$922,315).

Details of the investment property are as follows:

		Fair value	
		2008	**2007**
Name of property	**Description**	**S$**	**S$**
Monville Mansion	Freehold commercial property at 530 Balestier Road #01-06, Singapore 329857, comprising an estimated floor area of 218 square metres	1,300,000	1,150,000

The fair value of the investment property has been determined as S$1,300,000 based on the open market desktop valuation performed in February 2009, by an independent professional valuer with appropriate recognised qualification and recent experience in the location and category of the property being valued. As at 31 December 2008 and 31 December 2007, the fair values of the investment property were based on directors' valuations.

The property rental income from the Group's investment property which is leased out under operating lease amounted to S$47,667 (2007: S$37,000). Direct operating expenses (including repairs and maintenance) arising from the income-generating investment property amounted to S$8,816 (2007: S$9,264).

Notes to the Financial Statements

For the financial year ended 31 December 2008

11. SUBSIDIARY

	COMPANY	
	2008	2007
	S$	S$
Equity investments, at cost	15,109,998	6,609,998

Details of the Company's subsidiary at 31 December are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Principal activities
		2008	2007	
Wee Hur Construction Pte Ltd *	Singapore	100%	100%	General building and civil engineering construction

* Audited by Ng, Lee & Associates – DFK, Singapore.

12. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	S$	S$	S$	S$
Trade payables:				
Related party	40,253	60,019	–	–
Non-related parties	34,677,623	23,209,947	–	–
	34,717,876	23,269,966	–	–
Accrued operating expenses	1,519,460	1,354,012	776,115	206,655
Non-trade amount due to subsidiary	–	–	538,492	–
Sundry payables	22,451	7,451	–	–
	36,259,787	24,631,429	1,314,607	206,655

Trade payables are normally settled on 30 to 35-day (2007: 60-day) terms. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Other payables are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the functional currencies of the respective entities.

Notes to the Financial Statements

For the financial year ended 31 December 2008

13. CONVERTIBLE LOAN

This represents the loan from the Pre-IPO Investors (Note 17). The convertible loan was unsecured and interest-free.

14. FINANCE LEASE LIABILITIES

	GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2008	2007	2008	2007
	S$	S$	S$	S$
Amount payable under finance lease:				
Not later than 1 financial year	–	33,150	–	30,537
Less : future finance charges	–	(2,613)	N/A	N/A
Present value of finance lease liabilities and amount due for settlement within 12 months	–	30,537	–	30,537

The average effective interest rate is Nil% (2007: 5.72%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease liabilities are secured by the lessor's title to the leased asset.

Finance lease liabilities are denominated in Singapore dollars.

The fair value of the finance lease liabilities approximates the carrying amount of the liabilities.

15. PROVISIONS

	GROUP	
	2008	2007
	S$	S$
Provision for fine		
At 1 January	200,000	–
Amount (written back)/recognised in profit or loss (Note 29)	(195,000)	200,000
At 31 December	5,000	200,000

Notes to the Financial Statements

For the financial year ended 31 December 2008

16. DEFERRED TAX LIABILITIES

Deferred tax liability at the balance sheet date arises primarily from the excess of tax over book depreciation:

	GROUP	
	2008	**2007**
	S$	**S$**
Balance at beginning and **at end**	50,607	50,607

17. SHARE CAPITAL

	GROUP AND COMPANY	
	Number of ordinary shares	**S$**
Issued and paid up		
Balance at 29 December 2006, date of incorporation of the Company	2	2
Issue of shares pursuant to a restructuring exercise	6,609,998	6,609,998
Balance at 31 December 2007	6,610,000	6,610,000
Issued and paid up		
Balance at 1 January 2008 before sub-division of shares	6,610,000	6,610,000
Balance at 16 January 2008 after sub-division of shares	218,130,000	6,610,000
Issuance of shares pursuant to the convertible loan agreement	24,000,000	3,000,000
Issuance of shares pursuant to the initial public offering of the Company	78,909,000	19,727,250
Share issue expense in connection with the initial public offering of the Company	–	(1,776,737)
Balance at 31 December 2008	321,039,000	27,560,513

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

On 29 December 2006, the Company issued 2 subscribers' shares at S$1 each for the incorporation of the Company.

The share capital in the consolidated balance sheet as at 31 December 2007 represents the share capital of the Company, arising on incorporation and shares issued in connection with the acquisition of the subsidiary, and is deemed to have been in issue throughout the financial year ended 31 December 2007.

Prior to the Company's listing on SGX-ST, 6,610,000 ordinary shares in the Company were sub-divided into 218,130,000 ordinary shares on 16 January 2008.

Notes to the Financial Statements

For the financial year ended 31 December 2008

17. SHARE CAPITAL (Cont'd)

Pursuant to a convertible loan agreement dated 17 September 2007 entered into between the Company and certain parties (the "Pre-IPO Investors"), the Pre-IPO Investors granted a convertible loan of $3,000,000 to the Company. This agreement provides, *inter alia*, for conversion of the loan into shares to be allotted and issued to the Pre-IPO Investors in proportion to their respective loans disbursed to the Company. Accordingly, on 18 January 2008, pursuant to such conversion, a total of 24,000,000 shares were issued and allotted to the Pre-IPO Investors.

Pursuant to the Company's initial public offering, 78,909,000 share were issued and the Company's post-invitation share capital of 321,039,000 shares commenced trading on SGX-ST on 30 January 2008.

Total share issue expenses adjusted against share capital include deferred expenses of S$823,013 as disclosed in Note 7 and total non-audit fees of S$228,000 paid to the Company's auditors in connection with the initial public offering of the Company.

18. MERGER DEFICIT

This arises from the difference of the nominal value of the shares in the subsidiary acquired and the nominal value of the Company's shares issued under the "pooling-of-interest" method of consolidation.

19. REVENUE

Revenue comprises revenue from construction contracts.

20. INVESTMENT INCOME

	GROUP	
	2008 S$	2007 S$
Rental income		
Operating lease rental income	71,667	70,000
Interest income from loans and receivable		
Bank deposits	107,818	11,055
	179,485	81,055

Notes to the Financial Statements

For the financial year ended 31 December 2008

21. OTHER GAINS

	GROUP	
	2008	**2007**
	S$	**S$**
Gain on disposal of property, plant and equipment	–	148,464
Provision of fine written back (Note 29)	195,000	–
Others	28,475	10,308
	223,475	158,772

No other gains or losses have been recognised in respect of loans and receivables other than as disclosed in Note 20.

22. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	GROUP	
	2008	**2007**
	S$	**S$**
Depreciation		
Depreciation of investment property	25,620	25,620
Depreciation of property, plant and equipment	557,372	305,120
	582,992	330,740
Directors' remuneration (included in employee benefits expense)		
Directors of the Company	1,611,108	650,872
Directors of the subsidiary	412,889	329,487
	2,023,997	980,359
Employee benefits expense		
Employer's contributions to Central Provident Fund	431,430	360,747
Others	8,590,563	6,348,165
	9,021,993	6,708,912
Rental on operating leases	192,528	175,471
Hiring of equipment	2,636,253	771,843
Sub-contractors fees	75,416,290	67,654,932
Non-audit fees paid to auditors of the Company	5,520	2,330

Notes to the Financial Statements

For the financial year ended 31 December 2008

23. INCOME TAX EXPENSE

	GROUP	
	2008	**2007**
	S$	**S$**
Current tax expense	1,572,025	1,700,000
Under/(over)provision of current tax expense in respect of previous financial years	53	(105,860)
	1,572,078	1,594,140

The reconciliation between income tax expense and the product of profit before income tax multiplied by the applicable corporate tax rate is as follows:

	GROUP	
	2008	**2007**
	S$	**S$**
Profit before income tax	9,589,098	8,715,268
Income tax expense calculated at 18% (2007: 18%)	1,726,038	1,568,748
Effect of income not subject to taxation	(92,514)	–
Effect of expenses not deductible for tax purposes	61,995	143,922
Exempt income	(50,375)	(27,450)
Under/(over) provision of current tax expense in respect of previous financial years	53	(105,860)
Others	(73,119)	14,780
	1,572,078	1,594,140

24. EARNINGS PER SHARE

Calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	GROUP	
	2008	**2007**
Earnings		
For calculation of basic earnings per share:		
Profit for the financial year attributable to equity holders of the Company (S$)	8,017,020	7,121,128
Weighted average number of ordinary shares		
For calculation of basic earning per share	304,962,880	242,130,000

Notes to the Financial Statements

For the financial year ended 31 December 2008

24. EARNINGS PER SHARE (Cont'd)

Diluted earnings per share for the financial years ended 31 December 2008 and 31 December 2007 were not presented as there are no potential ordinary shares with dilutive potential.

25. DIVIDENDS

	GROUP	
	2008	**2007**
	S$	**S$**
Final dividend paid by the subsidiary of S$Nil (2007: S$0.208400) per ordinary share less tax at 18% in respect of the previous financial year	–	1,110,772
Final exempt dividend paid by the subsidiary of S$Nil (2007: S$0.829112) per ordinary share in respect of the previous financial year	–	5,389,228
Interim exempt dividend paid by the Company of S$0.01 (2007: S$Nil) per ordinary share in respect of the current financial year	3,210,390	–
	3,210,390	6,500,000

At the Annual General Meeting on 22 April 2009, a final exempt dividend of S$0.01 per ordinary share amounting to a total of S$3,210,390 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

26. CONTINGENT LIABILITIES

At 31 December 2008, guarantees furnished to financial institutions by the Company in respect of banking facilities extended to the subsidiary amounted to approximately S$20 million (2007 : S$Nil), of which the amount utilised by the subsidiary at 31 December 2008 was approximately S$18 million (2007: S$ Nil).

The value of financial guarantees provided by the Company to its subsidiary is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available. The directors have assessed the fair value of these financial guarantees to have no material financial impact on the results and the retained earnings of the Company for the financial year ended 31 December 2008.

Notes to the Financial Statements

For the financial year ended 31 December 2008

27. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	GROUP	
	2008	**2007**
	S$	**S$**
Commitments for the acquisition of property, plant and equipment	522,886	–

Operating lease commitments – the Group as lessee

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	GROUP	
	2008	**2007**
	S$	**S$**
Not later than 1 financial year	120,000	176,986
Later than 1 financial year but not later than 5 financial years	90,000	340,592
	210,000	517,578

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for an initial term of 3 years.

Operating lease commitments – the Group as lessor

The Group leases outs its investment property and a portion of its leasehold premises under non-cancellable operating leases. Future minimum lease receivable under operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	GROUP	
	2008	**2007**
	S$	**S$**
Not later than 1 financial year	105,600	59,000
Later than 1 financial year but not later than 5 financial years	89,400	42,000
	195,000	101,000

Notes to the Financial Statements

For the financial year ended 31 December 2008

28. SEGMENT INFORMATION

Business segment

The Group is principally engaged in the single business segment of general building and civil engineering construction. Accordingly, the revenue, profits, assets and liabilities of the Group are derived from this single business segment.

Geographical segment

The Group's geographical segments are based on the location of customers. The Group's business is derived solely from customers in Singapore during the periods presented and its assets are located in Singapore at 31 December 2008 and 31 December 2007. Therefore, no segment reporting of geographical activity is presented.

29. EVENTS AFTER THE BALANCE SHEET DATE

During the financial year ended 31 December 2006, an accident occurred at one of the work sites of the subsidiary, causing one death and one personal injury to two employees of its sub-contractor.

Legal advice obtained indicated that there might be potential charge from the Ministry of Manpower ("MOM") with regard to the occurrence of the fatal accident and the personal injury suffered, and any penalty imposed is likely to be in the range of S$150,000 to S$350,000. A provision of S$200,000 has been made in the financial statements for the financial year ended 31 December 2007.

On 22 January 2009, MOM issued a notice of composition fines under the Workplace Safety and Health Act 2006 and was prepared to compound the offence for a sum of S$5,000. Accordingly, a reversal of S$195,000 has been recognised for the overprovision in the financial year ended 31 December 2008.

Notes to the Financial Statements

For the financial year ended 31 December 2008

30. COMPARATIVE INFORMATION

Certain reclassifications have been made to the previous financial year's financial statements to enhance comparability with the presentation in the current year's financial statements. The items were reclassified as follows:

	GROUP		COMPANY	
	After reclassification 2007 S$	As previously reported 2007 S$	After reclassification 2007 S$	As previously reported 2007 S$
Balance sheet				
Trade and other receivables	31,751,053	31,910,584	1,837,668	824,302
Prepayments	159,531	–	–	–
Advances to subsidiary	–	–	–	1,013,366
Trade and other payables	24,631,429	24,831,429	–	–
Provisions	200,000	–	–	–
Consolidated income statement				
Investment income	81,055	–	–	–
Other gains	158,772	–	–	–
Other operating income	–	239,827	–	–
Consolidated cash flow statement				
Trade and other receivables	4,898,343	4,766,761	–	–
Prepayments	(131,582)	–	–	–
Trade and other payables	3,109,546	3,309,546	–	–
Provisions	200,000	–	–	–

Shareholders' Information

As at 23 March 2009

Issued and fully paid up captial	:	321,039,000
Amount of Issued and Paid Up Shares	:	S$29,337,250
Class of Shares	:	Ordinary Shares
Voting Shares	:	1 vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	0	0.00	0	0.00
1,000 – 10,000	374	54.68	1,733,000	0.54
10,001 – 1,000,000	288	42.10	26,521,000	8.26
1,000,001 AND ABOVE	22	3.22	292,785,000	91.20
TOTAL :	684	100.00	321,039,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	GSC HOLDINGS PTE. LTD.	128,403,000	40.00
2.	GOH YEOW LIAN	21,062,636	6.56
3.	CIMB-GK SECURITIES PTE. LTD.	15,102,000	4.70
4.	GOH YEU TOH	13,230,769	4.12
5.	CHENG KIANG HUAT	13,130,769	4.09
6.	GOH YEO HWA	13,130,769	4.09
7.	SUA NAM HENG	13,130,769	4.09
8.	LEE CHEE SENG	12,000,000	3.74
9.	MAYBAN NOMINEES (S) PTE LTD	11,106,000	3.46
10.	GOH YEW TEE	9,531,318	2.97
11.	UOB KAY HIAN PTE LTD	8,746,000	2.72
12.	GOH YEW GEE	7,178,160	2.24
13.	OCBC SECURITIES PRIVATE LTD	4,856,000	1.51
14.	HSBC (SINGAPORE) NOMINEES PTE LTD	4,226,000	1.32
15.	LIEW HONG LIONG	3,960,000	1.23
16.	SBS NOMINEES PTE LTD	3,503,000	1.09
17.	GOH YEW LAY	2,691,810	0.84
18.	LOW CHUI HENG	2,001,000	0.62
19.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,880,000	0.59
20.	CHUA TIONG BOON	1,850,000	0.58
	TOTAL :	290,720,000	90.56

Shareholders' Information

As at 23 March 2009

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Deemed Interest
GSC Holdings Pte Ltd	128,403,000	–
Mr Goh Yeow Lian (Note 1)	21,062,636	128,403,000

Note 1 – Mr Goh Yeow Lian is deemed to be interested in the shares of the Company through his interest in GSC Holdings Pte Ltd by virture of Section 7 of the Companies Act, Chapter 50

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the information available to the Company as at 23 March 2009, the percentage of shareholdings held in the hands of public is approximately 30.84%. Accordingly, the Company complies with Rule 723 of the Listing Manual

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held on Wednesday, 22 April 2009 at 10.30 a.m. at Quality Hotel Singapore, Grand Ballroom, 201 Balestier Road, Singapore 329926 for the purpose of transacting the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Accounts for year ended 31 December 2008 and the Directors' Reports and the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of a final dividend of $0.01 per ordinary share (tax exempt 1-tier) for the year ended 31 December 2008. **Resolution 2**

3. To approve the payment of Directors' fees of S$100,000 for the year ended 31 December 2008. (2007: S$15,000). **Resolution 3**

4. To re-elect Mr Goh Yeo Hwa, a Director retiring pursuant to Article 107 of the Company's Articles of Association. **Resolution 4**

5. To re-elect Mr Goh Yew Gee, a Director retiring pursuant to Article 107 of the Company's Articles of Association. *[see explanatory note(a)]* **Resolution 5**

6 To re-appoint Messrs Ng, Lee & Associates-DFK as Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

7. To transact any other business of the Company which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

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

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

"That authority be and is hereby given to the Directors to:

(a) (1) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(2) 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) to issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Notice of Annual General Meeting

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):

(A) by way of renounceable rights issues on a pro rata basis to shareholders of the Company ("Renounceable Rights Issues") shall not exceed 100% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below); and

(B) otherwise than by way of Renounceable Rights Issues ("Other Share Issues") shall not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below);

(2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100% of the total number of issued shares in the capital of the Company excluding treasury (as calculated in paragraph (3) below);

(3) (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 paragraphs (1)(A) and (1)(B) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares 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 or consolidation or subdivision of shares;

(4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(5) (unless revoked or varied by the Company in 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

9. **Placement of Shares under the Share Issue Mandate at more than 10% Discount** **Resolution 8**

"That notwithstanding Rule 811 of the Listing Manual issued by SGX-ST, the Directors of the Company be and are hereby authorized, pursuant to the terms and conditions of the Share Issue Mandate under Resolution 7 above, to issue new shares of the Company to subscribers or placees under a share placement at a discount that is more than 10% but not exceeding 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If, however, trading in the Company's shares is not available for a full market day, the weighted average price shall be based on trades done on the preceding market day up to the time the placement agreement or subscription agreement is signed." *[see explanatory note(c)]*

By Order of the Board

Tan Ching Chek and Lo Swee Oi
Joint Company Secretaries

Dated: 6 April 2009

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on **5 May 2009**, for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 3 Church Street #08-01 Samsung Hub, Singapore 049483 up to the close of business at 5:00 p.m. on **4 May 2009** will be registered to determine shareholders' entitlement to the proposed dividends. The dividends, if approved, will be paid on **15 May 2009** to shareholders registered in the books of the Company on **4 May 2009**.

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

Notice of Annual General Meeting

Explanatory Notes:

(a) Mr Goh Yew Gee, a member of the Audit, Remuneration and Nominating Committees, will continue in office as a member of the said Committees upon his re-election as a Director of the Company. Mr Goh Yew Gee, a Non-Executive Director, is not considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

(b) Resolution No. 7, if passed, is to empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a *pro rata* basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares) in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution No. 7 is passed, after adjusting for (a) 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 that Resolution No. 7 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

In February 2009, as part of further measures to accelerate and facilitate fund raising efforts by listed issuers, 100% Renounceable Rights Issue is now permitted by Singapore Exchange Limited/Monetary Authority of Singapore subject to conditions and shareholders" approval. In this respect, the Company seeks such authority so as to give the Company a wider option of fund raising should there be a need for such exercise to be undertaken.

(c) Resolution No. 8, if passed, is to empower the Directors of the Company to undertake placements of new shares on a non pro-rata basis priced at discounts of more than 10% but not exceeding 20%.

In February 2009, as part of further measures to accelerate and facilitate fund raising efforts by listed issuers, a discount limit of up to 20% for share placement is now permitted by Singapore Exchange Limited/Monetary Authority of Singapore subject to çonditions and shareholders approval. Similarly, the Company seeks such authority so as to give the Company a wider option of fund raising should there be a need for such exercise be undertaken.

Notes to Proxy Form:

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

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

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

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

Wee Hur Holdings Ltd.

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

ANNUAL GENERAL MEETING PROXY FORM

Important

1. For investors who have used their CPF monies to buy Wee Hur Holdings Ltd. shares, this Annual Report is sent to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors, and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____ (Name)

of ____ (Address)

being a member/members of Wee Hur Holdings Ltd. hereby appoint:-

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on Wednesday, 22 April 2009 and at any adjournment thereof in the following manner:

No	Resolution relating to:	For	Against
1.	Adoption of Reports and Accounts.		
2.	To approve final dividend.		
3.	To approve Directors' Fees for the year ended 31 December 2008.		
4.	To re-elect Mr Goh Yeo Hwa, a Director retiring under Article 107 of the Company's Articles of Association.		
5.	To re-elect Mr Goh Yew Gee, a Director retiring under Article 107 of the Company's Articles of Association.		
6.	To re-appoint Auditors and authorisation of directors to fix their remuneration		
7.	To authorise the Directors to issue and allot shares pursuant to Section 161 of the Companies Act, Cap 50		
8.	To authorise the Directors to issue new shares of the Company to subscribers or placees under a share placement at a discount not exceeding 20%.		

If you wish to exercise all your votes For or Against, please tick with ' √ '. Alternatively, please indicate the number of votes For or Against each resolution.

If this form of proxy contains no indication as to how the proxy should vote in relation to each resolution, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting.

Dated this ________ day of ________________ 2009.

Total Number of shares in	No of Shares
(a) CDP Register	
(b) Register of Members	

____

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

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

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 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert 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 shares held by the member.

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

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

7. Where an instrument appointing a proxy 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.

GENERAL

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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