



偉合控股有限公司
WEE HUR HOLDINGS LTD

ADVANCING OUR GROWTH PLATFORM

ANNUAL
REPORT
2018

Photography by Mark Nilon @ Woods Bagot



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Our VISION

To enlarge our presence in the real estate and built environment in Singapore and beyond.

Our MISSION

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

精步
益步
求精
精益求精

CHAIRMAN'S MESSAGE



Dear Shareholders,

I am very pleased to share with you that in 2018 we have achieved an important milestone for the growth platforms which we have initiated in 2016. The construction work for Metro Tower, the 14-storey building in our **1st PBSA in Brisbane, Unilodge Park Central** was completed in May 2018 and this 437-bed building has been substantially filled up since we commenced operation in July 2018. Sky Tower, the other 25-storey building, was also completed in September 2018, bringing our total PBSA beds in Brisbane to 1,578. With the completion of these two buildings, **Unilodge Park Central**, has been in full operations since the beginning of 2019 and currently enjoys a very robust occupancy rate.

Good Progress on the Growth Platforms

Having achieved the important milestone for our PBSA business, we expect to complete our **2nd PBSA in Adelaide, Unilodge City Gardens** in May 2019 and commence operation of this 772-bed PBSA in July 2019.

For our **3rd PBSA at A' Beckett Street Melbourne**, conditional Development Approval has been obtained for the development of approximately 889-bed PBSA. We target to commence the construction work in the first half of 2019.

We have acquired additional two land parcels for PBSA development in 2018. We made our maiden purchase of land parcel in Sydney for our **4th PBSA** and 2nd purchase of land parcel in Adelaide for our **5th PBSA** in June 2018 and September 2018 respectively. The acquisition of these two land parcels, together with the above-mentioned three PBSA, will yield a total of approximately 4,544-bed PBSA, not far away from meeting our target of building a portfolio of 5,000-bed PBSA

in major cities of Australia. Development Approval for both **4th and 5th PBSA** have been submitted and we expect to commence construction in 2019 upon receipt of Development Approval.

In a nutshell, we will have a total of 2,350-bed PBSA in operation in 2019. This will increase to approximately 3,655 in 2021 and we shall expect all these 5 PBSAs to be operational by 2022.

We are progressing well on the **PPVC (“Prefabricated Prefinished Volumetric Construction”)** construction method which is adopted in our co-development project, **Parc Botannia**. The experience we gain in this project will give us a competitive edge in securing projects using the PPVC construction method.

The other growth platform, fund management business, which is undertaken by Wee Hur Capital Pte Ltd, currently manages **Wee Hur PBSA Master Trust**. Leveraging on the valuable experience we gain, we are exploring to expand this business.

Update on Other Businesses

For the local property development business, **Parc Botannia** (735 units) has achieved 75% sales as at 31st March 2019. We are confident that the remaining units will be fully sold over the next few years, thus contribute positively to our financial position.

The new round of cooling measures on 5 July 2018, followed by the revision of URA development guidelines for residential development dampened the market sentiment significantly. In addition, other factors such as abundant unsold inventory, new supply of units through GLS programme, rising interest rates and uncertain global economic, heighten the challenging landscape of the local residential market.

We did not acquire any land parcels in 2018 before the cooling measure was introduced. Going forward, we will continue to remain prudent in acquisition of land parcels for residential development.

Separately, our industrial development, **Mega @ Woodlands**, received its TOP in January 2018. As of 31st March 2019, we have achieved a sales status of about 62%. For this development, we also offer an innovative scheme, the Rent-to-Own (“**RTO**”) for potential buyers who prefer to lease the unit first and purchase later. The aggregate take-up rate is at about 77% including these RTO units. We will continue our marketing effort and hope that this development will be substantially sold within the next two years.

For our overseas property investment and property development business, we have successfully sold the office building fronting **Ann Street** and **Turbot Street** for a gain of S\$6.5 million. Sales progress of **Park Central One**, our first overseas development project with 168 apartment units, has been encouraging. We will continue our marketing effort to improve the sales and we target to commence the construction work in the 2nd half of 2019. For **Park Central**, we are currently exploring suitable development options and target to conclude the development option by 2019.

The competition in the local construction sector remained stiff in 2018. Amid the tough environment, we only managed to clinch two construction projects amounting to S\$53 million. As at 31 December 2018, our construction order book stood at approximately S\$211 million, keeping us busy till FY2020.

We expect 2019 to remain challenging for the construction industry despite that BCA's forecast of total construction demand for the year to be between S\$27.0 billion and S\$32.0 billion. Nonetheless, we will work harder to secure more projects to replenish our order book during this challenging period.

Keen competition among dormitories in the west region, where our **Tuas View Dormitory** is situated, resulted in a slide of occupancy rate to around 75% as at 31 March 2019. Our appointed operator will continue their best efforts to strive to achieve higher rate.

Financial Performance and Dividends

For the financial year ended 31 December 2018 (“FY2018”), our profit to shareholders improved by 34% to S\$25 million. We are proposing a final cash dividend of 0.4 cent per share. Together with the interim dividend of 0.4 cent per share, the total dividend for FY2018 will amount to 0.8 cent per ordinary share, or approximately S\$7.4 million in total dividends, representing a payout ratio of about 29.4%.

Giving back to Society

At Wee Hur, we believe the importance of giving back to society. Besides cash donations, management and staff continue to be involved in various meaningful community activities/outreach such as groceries distribution at Block 350 Anchorvale Road to 300 needy families, participating in fund raising events such as the Unlabelled Run organised by New Charis Mission and also helping to organise a Christmas party for children at ARC children centre.

We are also excited to have awarded the Wee Hur Scholarship to one Year 3 student in National University of Singapore (“**NUS**”). This is an endowed gift of S\$150,000 set up by us with NUS in 2017.

Outlook Ahead

The local businesses will remain the key driver to contribute to the revenue and profit for the next two years. The overseas investments especially the PBSA business in Australia start to bear fruits in 2019 and will be our main recurring income stream from year 2021 and beyond.

Appreciation

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

GOH YEOW LIAN

Executive Chairman and Managing Director

主席致辞



“海外的投资，特别是PBSA的业务，在2019年开始看到成果，将会是集团从2021年起经常性收入的主要来源。”

亲爱的股东们：

我很高兴地向大家汇报，集团在2016年建立的增长平台，已在2018年达到一个重要里程碑。在布里斯班的首个学生公寓(简称**PBSA**)，**UniLodge Park Central**的工程已在2018年全部完成。14层的**Metro Tower** (437床位)和25层的**Sky Tower** (1,141床位)，分别于2018年5月份与9月份竣工，学生开始在7月份入住**Metro Tower**。随着这两栋大楼的落成，**UniLodge Park Central**这个拥有1,578床位的**PBSA**已在2019年初开始全面运作，至今已达到很高的入住率。

增长平台的进展

紧接着**UniLodge Park Central**的落成，在阿德莱德拥有772床位的**第二个PBSA**，**UniLodge City Gardens**，工程也将会在2019年5月份完工，预计在7月份开始运作。

在墨尔本，**A'Beckett Street**的**第三个PBSA**，已取得有关机构开发大约889个床位的准证。工程将在2019年上半年开始展开。

在2018，集团增购了两幅地段做为**PBSA**的开发。首先在2018年6月份在悉尼收购了**第四个PBSA**的地段，也是集团在悉尼的第一个收购。接着在9月份买下在阿德莱德**第五个PBSA**的地段。这两幅地段加上前面所提的三个**PBSA**，预计能够发展约4,544个床位，接近集团在这个增长平台5,000个床位的目标。集团已向有关机构申请**第四个和第五个PBSA**的开发准证，工程预计将会在2019年开始展开。

总的来说，在2019年集团将共有约2,350 **PBSA**床位投入运作。在2021年，投入运作的床位将会增加至大约3,655个。预计所有五个**PBSA**将在2022年全部投入运作。

另一个增长平台，**PPVC**建造法，进展良好。集团的合资开发项目**Parc Botannia**采用了上述的建议。集团在这个项目取得的经验将有助于提高投标有**PPVC**项目的竞争力。

集团第三个增长平台，基金管理业务，目前管理着**俾合 PBSA Master Trust**。凭着在这个基金管理中获得的宝贵经验，集团在探讨进一步扩展这个业务。

其他业务进展

集团的合资开发项目**Parc Botannia**，共有735套公寓，截至2019年3月31日，已经卖出近75%的单位。集团有信心在接下来的几年内卖完剩余的单位。该项目将对接下来几年的利润做出贡献。

由于政府在2018年7月5日采取了新一轮楼市降温措施以及URA修改了一些住宅开发的指导方针，导致本地楼市的购买情绪明显减弱。此次的降温措施和开发指南的修改，加上现有的充足库存，未来的供应也随着政府售地计划相应增加，利率的上升以及国际市场的不稳定，使得本地的楼市面临很大的挑战。

集团在2018年楼市降温措施实施之前，没有收购任何住宅地段。接下来集团会在收购住宅地段时继续保持谨慎态度。

另外，集团的工业开发项目 **Mega @ Woodlands** 在2018年初取得临时入伙证(“TOP”)。截至2019年3月31日，已达到了近62%的销售额。这个项目也给那些想先租后买的潜在买家提供了一个创新性的方案，先租后买(“RTO”)。包括这些RTO的潜在买家，这个项目的总销售额达到77%。集团希望在接下来的两年售罄该项目的大部分单位。

至于海外地产投资和开发业务，集团成功卖出在 **Ann Street** 和 **Turbot Street** 之间的办公楼，盈利650万新币。第一个海外开发项目 **Park Central One**，拥有168套公寓，也取得了令人鼓舞的销售量。集团将继续努力行销，希望在2019年的下半年开始动工。至于 **Park Central**，集团还在探讨适合的开发方案，预计将会在年内敲定。

建筑业在2018年仍然面临激烈的竞争。在艰难的大环境下，集团只取得大约5,300万新币的两个建筑合同。截至2018年12月31日，集团的工程订单总额约为2.11亿新币。所有的工程将在2020年完成。

尽管BCA预测2019年的建造工程总需求额比2018年稍微增加，在270亿到320亿新币左右，这个行业将继续面临激烈的竞争。集团会努力去争取足够的工程订单以渡过这个艰难时期。

在西部地区的工人宿舍市场的竞争同样激烈，导致集团在该地区的 **Tuas View Dormitory** 的入住率下滑至75%左右。集团所委托的管理公司将继续努力地提高入住率。

财务业绩和股息

截至2018年12月31日的财政年度，净利润为2,500万新币，增长了34%。集团建议派发0.4分的末期股息，加上每股0.4分的中期股息，2018财政年度总股息将为每股0.8分，约740万新币，派息率是29.4%。

回馈社会

在2018年，除了现金捐款，管理层和员工继续积极参与有意义的社区活动。我们在安谷路大牌350赞助与分发生活用品给300户贫困家庭，参与新颂恩宣道中途之家 (New Charis Mission) 为筹款而主办的义跑，也为ARC孩童中心的孩子们赞助和主办圣诞派对。

在2017年，我们捐赠150,000新币给新加坡国立大学(“NUS”)，成立伟合奖学金。2019年，我们颁发了第一份伟合奖学金给一个在设计和环境学院攻读的大三学生。

未来展望

本地业务，在接下来的两年会继续为集团的营收与利润做出贡献。海外的投资，特别是PBSA的业务，在2019年开始看到成果，将会是集团从2021年起经常性收入的主要来源。

感谢团

我在此感谢股东们、业务伙伴、咨询顾问、分包商、供应商、员工们以及其他利益相关人员为我们的业务增长所给予的支持和贡献。对于董事会的指导和支持，我深表谢意。让我们一起努力为股东带来更大的收益。

吴友仁

执行主席兼董事经理

BOARD OF DIRECTORS



Goh Yeow Lian

Executive Chairman and Managing Director

Goh Yeow Lian was appointed as our Executive Chairman and Managing Director on 3 September 2007 and he is one of the founders of our Group. He has played a pivotal role in the growth and development of our Group and is responsible in the formulation of our Group's strategic directions and expansion plans and managing our Group's overall business development. He graduated with a Diploma in Building from Singapore Polytechnic.



Goh Yew Tee

Executive Director and Deputy Managing Director

Goh Yew Tee was appointed as our Executive Director and Deputy Managing Director on 24 September 2007. In January 2009, he was also appointed as the Managing Director of our wholly-owned subsidiary, Wee Hur Construction Pte Ltd. He is responsible for the overall operation of the construction and dormitory business. He graduated with a Diploma in Building from Singapore Polytechnic.



Goh Yeo Hwa

Executive Director

Goh Yeo Hwa was appointed as our Executive Director on 24 September 2007 and he is one of the co-founders of our Group. He has more than 30 years of experience in the construction industry. He is involved in the site management and procurement of construction machinery, equipment and materials.



Teo Choon Kow @ William Teo
Lead Independent Director

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



Wong Kwan Seng Robert
Independent Director

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



Goh Yew Gee
Non-Executive Director

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

SENIOR MANAGEMENT

Lim Poh Choo, Janet

Chief Financial Officer

Wee Hur Holdings Ltd

Janet Lim is responsible for all financial matters of the Group including financial reporting, corporate finance, treasury, tax, corporate secretarial and risk management. She has been with the Group since 2016.

She has more than 20 years of accounting, finance and management experience. She holds a Master of Professional Accounting from the University of Southern Queensland. She is a member of the Institute of Singapore Chartered Accountants and CPA Australia. She is also an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals.

Gaw Chu Lan

Director, Administration and Finance

Wee Hur Holdings Ltd

Gaw Chu Lan is responsible for all administrative and finance functions of the Group including corporate finance, administrative and human resources matter. She has been with the Group since 1985.

Koh Chong Kwang

Director, Project

Wee Hur Construction Pte Ltd

Koh Chong Kwang is responsible for the overall project management functions include overseeing the execution of projects from commencement till completion including maintenance period. He has been with the Group since 1995.

He holds a Bachelor of Engineering (Civil Engineering) degree from the National University of Singapore.

Sua Chen Shiua

Director, Tender and Contract

Wee Hur Construction Pte Ltd

Sua Chen Shiua is responsible for the overall tender and contract functions include identifying and securing new projects and overseeing the execution of contract administration for secured projects. He has been with the Group since 2000.

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

Lu Tze Chern, Andy

Deputy Director, Project

Wee Hur Construction Pte Ltd

Andy Lu is responsible for the overall project management functions include overseeing the execution of projects from commencement till completion including maintenance period. He has been with the group since 2006.

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

Chua Cheng Hoon

Business and Technical Director

Wee Hur Construction Pte Ltd

Chua Cheng Hoon is responsible for business procurement for the construction arm including formulating cost-effective technical proposals and solutions during the tendering stage. He joined the Group in August 2018.

He holds a Bachelor of Engineering (Civil Engineering) degree from National University of Singapore.

Goh Cheng Huah

Director, Investment and Development

Wee Hur Capital Pte Ltd

Goh Cheng Huah is responsible for land acquisition, design and construction of assets managed under Wee Hur Capital Pte Ltd. He is also involved in local and overseas property development business of the Group. He has been with the Group since 1987.

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

Goh Wee Ping

Chief Executive Officer

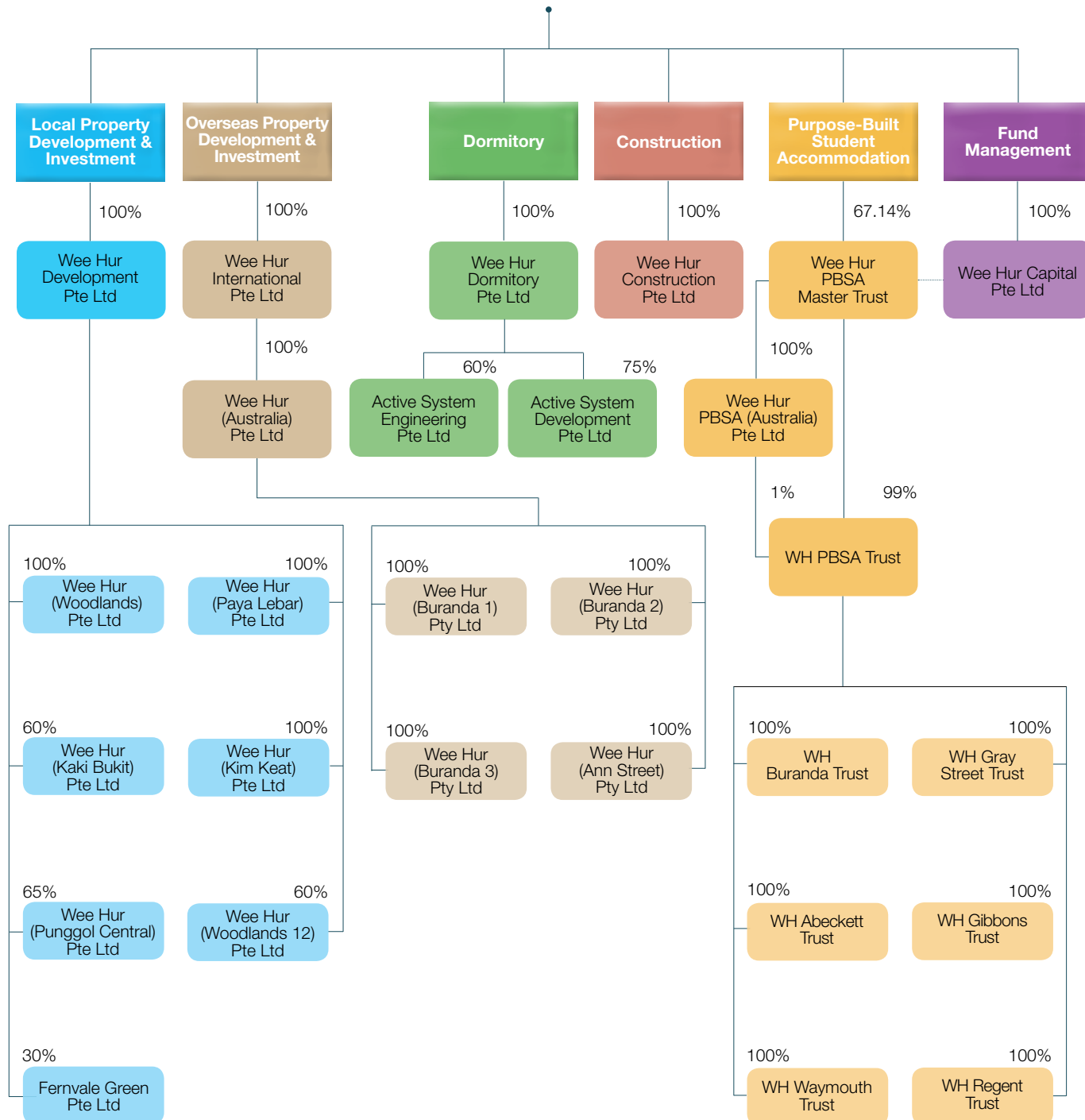
Wee Hur Capital Pte Ltd

Goh Wee Ping is responsible for managing and integrating all functions of fund management which includes but not limited to fund-raising, acquisition and divestment, development, operations, asset management, business development and investor relations. He is currently managing Wee Hur PBSA Master Trust, an Australia focused Purpose-Built Student Accommodation Private Trust.

He has close to 7 years of experience in the construction and property development industry. He was instrumental in the Group's entry into Australia and has accumulated broad experience and acute knowledge on Purpose-Built Student Accommodation as an asset class in Australia. He holds a Bachelor of Engineering (Civil Engineering) from the National University of Singapore.

GROUP STRUCTURE

AS AT 31 MARCH 2019



5-YEAR FINANCIAL HIGHLIGHTS

Consolidated Statement of Comprehensive Income (S\$'000)

For the Financial Year Ended	2018	2017	2016	2015	2014
Revenue	293,694	160,352	164,251	412,838	713,536
Cost of Sales	(210,094)	(122,172)	(128,161)	(308,264)	(457,959)
Gross Profit	83,600	38,180	36,090	104,574	255,577
Other Income / gains	14,168	6,745	8,534	3,515	3,201
Operating Expenses	(45,064)	(16,840)	(17,025)	(22,821)	(36,458)
Share of Profit of Associated Company	4,292	710	-	-	-
EBITDA	56,996	28,795	27,599	85,268	222,320
Depreciation	(1,078)	(1,780)	(2,475)	(3,263)	(3,836)
EBIT	55,918	27,015	25,124	82,005	218,484
Finance Costs	(6,831)	(1,371)	(1,618)	(1,702)	(2)
Income Tax Expense	(15,896)	(6,871)	(6,107)	(14,765)	(36,116)
Net Profit	33,191	18,773	17,399	65,538	182,366
Other Comprehensive Income	(6,298)	(831)	1,278	897	-
Total Comprehensive Income	26,893	17,942	18,677	66,435	182,366
Profit Attributable to Equity Holders of the Company	25,012	18,671	17,267	47,020	112,257
Net Profit Margin (%)	11.3	11.7	10.6	15.9	25.6
Number of Shares	919,245,000	919,245,000	919,245,000	919,245,000	919,245,000
Basic Earnings Per Share (cent)	2.72	2.03	1.88	5.12	12.21
Dividend Paid	7,354	5,515	5,516	13,789	27,577
Dividend Per Share (cent)	0.80	0.60	0.60	1.50	3.00
Dividend Payout Ratio (%)	29.4	29.5	31.9	29.3	24.6

Balance Sheet (S\$'000)

As at 31 December	2018	2017	2016	2015	2014
Assets					
Current Assets					
Development Properties	131,263	261,147	217,345	373,807	262,439
Cash and Cash Equivalents	162,356	151,015	150,874	158,176	259,892
Receivables	77,809	180,162	128,256	85,103	132,316
Total Current Assets	371,428	592,324	496,475	617,086	654,647
Non-Current Assets					
Property, Plant and Equipment	24,401	21,697	8,370	11,006	15,488
Investment Properties	316,766	198,720	164,918	73,526	71,420
Receivables	55,041	40,378	34,395	45	-
Total Non-Current Assets	396,208	260,795	207,683	84,577	86,908
Total Assets	767,636	853,119	704,158	701,663	741,555
Liabilities					
Current Liabilities					
Income Tax Liabilities	15,694	3,819	33,685	5,047	31,694
Financial Liabilities	170,605	199,429	101,594	19,288	26,500
Payables	91,543	202,128	163,022	174,523	209,880
Total Current Liabilities	277,842	405,376	298,301	198,858	268,074
Non-Current Liabilities					
Deferred Tax Liabilities	2,567	3,428	-	18,078	6,105
Financial Liabilities	12,129	17,251	33,917	84,230	115,189
Payables	97,464	79,147	29,695	27,355	13,080
Total Non-Current Liabilities	112,160	99,826	63,612	1129,663	134,374
Total Liabilities	390,002	505,202	361,913	328,521	402,448
Net Assets	377,364	347,917	342,245	373,142	339,107
Equity					
Share Capital	125,733	125,733	125,733	125,733	125,733
Currency Translation Reserve and Others	(4,442)	1,343	2,175	897	659
Retained Profits	244,408	225,831	212,675	205,023	183,282
Non-Controlling Interest	11,935	(4,990)	1,662	41,489	29,433
Total Equity	377,634	347,917	342,245	373,142	339,107
Total Equity and Liabilities	767,636	853,119	704,158	701,663	741,555
Equity Attributable to Equity Owners of the Company	365,699	352,907	340,583	331,653	309,674
Net Assets Value Per Share	0.40	0.38	0.37	0.36	0.34
Return on Equity (%)	6.8	5.3	5.1	14.2	36.3
Net Gearing Ratios (%)	47.8	62.3	39.6	27.7	41.8
Interest Cover Ratios (times)	8.2	19.7	15.5	48.2	109,242.0

OPERATIONS REVIEW

Local Property Development Business

MEGA@Woodlands:



8-storey ramp-up/flatted industrial development comprising 512 units for B1 clean and light and B2 general industry. TOP has been obtained in January 2018 and sales of units have been improved to 62% as at 31 March 2019. The innovative scheme, Rent-To-Own (RTO) scheme to potential buyers has beefed up the aggregate take-up rate to about 77%.

Parc Botannia:



4 blocks of 22-storey condominium development with 735 units. Sales launched in November 2017 with 75% sold as at 31 March 2019. Expected date of vacant possession is 2021. The Group has a 30% interest in this development project.

Overseas Property Development and Investment Business

Park Central:



This is a mixed development comprising mainly residential units and sizable commercial spaces. We are currently exploring suitable development options for this land parcel and expect to conclude a suitable development option by 2019.

Park Central One:



This is a residential development comprising 168 apartment units with commercial spaces at ground floor. Sale of Park Central One has been launched and sale status is encouraging. We will continue our marketing effort to beef up the sale to a desire level and target to commence construction in 2019.

Lot 1-Ann Street and Lot 2-Turbot Street:

The sale of both plots of land has been completed. The Group recognised a gain of S\$6.5 million in FY2018.

OPERATIONS REVIEW

Purpose-built Student Accommodation ("PBSA")

The Group has acquired 2 land parcels for PBSA in 2018. These 2 new land parcels together with the 3 land parcels purchased earlier will bring us a total of approximately 4,544-bed PBSA. These 5 land parcels for PBSA are at various stages of development.

1st PBSA: UniLodge Park Central, Brisbane



The construction work for the Metro Tower which has 437 beds was completed in May 2018 and we received our first batch of students in July 2018. The leasing at Metro Tower has been well received. The Group completed the taller building, Sky Tower which has 1,141 beds in September 2018. Since then, the Group has commenced active marketing for leasing at both Sky Tower and Metro Tower for student in-take for first semester 2019. We enjoy a very encouraging occupancy rate for 2019.

2nd PBSA: UniLodge City Gardens, Adelaide



Construction work for this 772-bed PBSA is expected to complete in second quarter 2019. The PBSA is expected to begin operations for second semester 2019 with its appointed operator UniLodge.

4th PBSA: Gibbons Street, Sydney



The Group has signed a Put and Call Option Agreement in June 2018 and in February 2019 exercised the Option for the acquisition of this A\$52 million property. Development Approval for an approximately 488-bed PBSA has been submitted in January 2019. Construction work is targeted to begin in fourth quarter of 2019 and expected to complete in

second quarter of 2021. The PBSA is expected to begin operations for second semester 2021.

3rd PBSA: A'Beckett Street, Melbourne



The Group has received a conditional Development Approval in January 2019 for an 889-bed PBSA development. Construction work is targeted to begin in second quarter of 2019 and expected to complete in fourth quarter of 2021. The PBSA is expected to begin operations for first semester 2022.

5th PBSA: Waymouth Street, Adelaide



The Group has entered into a Contract of Sale Deed in September 2018 and in November 2018 completed the acquisition of this A\$9.275 million property. Development Approval for an approximately 817-bed PBSA has been submitted in January 2019. Construction work is targeted to begin in second quarter of 2019 and expected to complete in fourth quarter of 2020. The PBSA is expected to begin operations for first semester 2021.

OPERATIONS REVIEW

Construction Business

As at 31 December 2018, the Group's construction order book, stood at approximately S\$211 million, providing the Group with continuous construction activities through FY2020.

Projects Completed in 2018

Church of Our Saviour:



Additions, alterations and extension to existing 3-storey church building involving a 4-storey extension with roof terrace and 4 levels of basement at Margaret Drive.

PUB Waterhub:



Redevelopment of WaterHub project involving the erection of a 6-storey office block and additions and alterations to the existing WaterHub Building at Toh Guan Road East.

Current Projects

Parc Botannia:



Construction of 4 blocks of 22-storey condominium (735 units). Work has commenced in May 2017 and is expected to complete in fourth quarter of 2020.

St John's – St Margaret's Church:



Erection of a 9-storey nursing home and a 4-storey church annex building with 2-storey of semi-underground carpark and addition and alteration to the existing St. John's – St. Margaret's church along Dover Avenue. Work has commenced in March 2018 and is expected to complete in 2020.

Workshop, Car Showroom and Ancillary Office:



Erection of an 8-storey single user factory with 3 levels of basement carpark, and comprising car workshops and showrooms, as well as ancillary offices at Kung Chong Road and Chang Charn Road in Leng Kee area. Work has commenced in May 2017 and is expected to complete in fourth quarter of 2019.

Poultry Farm:

Design and built contract for proposed erection of a poultry farm with ancillary facilities and ancillary staff quarters at Neo Tiew Road (Lim Chu Kang). Work has commenced in June 2018 and is expected to complete in third quarter of 2019.

OPERATIONS REVIEW

Dormitory Business



The competition of our 60%-owned **Tuas View Dormitory** remains keen in the west region of Singapore. The occupancy rate is at about 75% as at 31 March 2019

Properties Portfolio

Development Properties

Project Name	Location	Type	Effective Group Interest* %	Tenure	GFA (sqm)	Status
Parc Botannia	10 Fernvale Street, Singapore	Residential	30%	99-year Leasehold	51,588	75% sold*
MEGA@Woodlands	39 Woodlands Close, Singapore	Industrial	60%	30-year Leasehold	98,072	TOP obtained in 2018. 62% sold, including RTO 77%*
Park Central	Logan Road & O'Keefe Street, Woolloongabba, Brisbane, Australia	Mixed-use	100%	Freehold	94,311	Not launched yet
Park Central One	Logan Road & Cowley Street, Woolloongabba, Brisbane, Australia	Residential	100%	Freehold	14,786	Sales launched in 4 th quarter 2017

Investment Properties

Name of Property	Location	Type	Effective Group Interest* %	Tenure	Status	Completion Date/ Expected Completion
Tuas View Dormitory	70 Tuas South Ave 1, Singapore	Dormitory	60%	7 years	75% take-up rate	2014
Unilodge Park Central	8 Gillingham St, Woolloongabba, Brisbane, Australia	PBSA	67.14%	Freehold	In full operation	2018
Unilodge City Gardens	89-109 Gray Street, Adelaide, Australia	PBSA	67.14%	Freehold	Construction in progress	2Q2019
A'Beckett Street	183-189 A'Beckett Street, Melbourne, Australia	PBSA	67.14%	Freehold	Construction to begin 2Q2019	4Q2021
Waymouth Street	124 Waymouth Street, Adelaide, Australia	PBSA	67.14%	Freehold	Pending DA. Construction to begin 2Q2019	2H2020

* As at 31 March 2019

CORPORATE SOCIAL RESPONSIBILITY

At Wee Hur, we take heart in giving back to our society and encourage our staff to participate in community involvement. Our approach rests on the main pillars of scholarships, donations and direct participations. Through these various channels, we hope to empower students, understand communities, connect with people and leave a meaningful and lasting impact.

Wee Hur Scholarship

This year, we have successfully awarded the Wee Hur Scholarship to one Year 3 student in the BSc (Project and Facilities Management) Programme, National University of Singapore. This scholarship is an endowed gift of S\$150,000 which provides an impetus for students to excel academically, support its mission to advance knowledge, foster innovation and nurture talented leaders of the future.

CSR Projects

Groceries Distribution at Blk 350 Anchorvale Road



In partnership with SengKang West CCC CDWF, our management and staff kick off this year's charity work by distributing groceries to 300 needy residents staying at Block 350 at Anchorvale Road. The collective effort was deeply rewarding and gratifying for everyone.

Unlabelled Run



We also have active participation from management and staff in a run event - **Unlabelled Run 2018** organised by The New Charis Mission in support of ex-offenders who had turned over a new leaf back to society.

CORPORATE SOCIAL RESPONSIBILITY

ARC Christmas Party



To exemplify the true spirit of giving, our CSR Committee made Christmas come early for 62 children from ARC Children Centre in their annual Christmas party held for its beneficiaries, particularly children with cancer or other life-threatening illness. Our participation included planning the logistic, supporting the activities held on-site and engaging with the children.

Wee Hur Holdings Book Prize



This book prize was presented to a student from School of Architecture & the Built Environment at Singapore Polytechnic

In addition, we also sponsored our staff to participate in meaningful events such as **OCBC Cycle** and **Standard Chartered Marathon**.



Our CSR outreach continues to focus its efforts on children, youth and the elderly. During the year, we have also made monetary donations to various charitable organisations and tertiary institutions in Singapore; such as the following:

- The New Charis Mission
- Dyslexia Association of Singapore – DAS Charity Golf and Dinner 2018
- SengKang West CC CDWF – Groceries Distribution at Block 350 Anchorvale Road
- Ren Ci Hospital – Ren Ci Vegetarian Food Fiesta
- ARC Children Centre – Donation to needy children with cancer and life-threatening illnesses, Annual Christmas Party and ARC Charity Gala Lunch
- Tian Yun Beijing Opera Society – In support of their effort to promote the art of Beijing Opera
- PCS Education Foundation
- Singapore Contractors Association Ltd – Lu Ban Fund
- Singapore Polytechnic – Book Prize

AWARD & ACCOLADES

BCA Construction Excellence Award 2018

Certificate of Merit - Parc Centros



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

- **Forbes Asia's 200 Best under a Billion** for 2013 and 2015.
- Listed by **Brand Finance** to be among Top 100 Singapore Brands.



- **BCA Quality Mark Award for Good Workmanship 2017 (Achieved Excellent QM rating)**
- PARC CENTROS, condominium development
- **BCA Green Mark Award (Gold) 2017**
- **MEGA@WOODLANDS**, industrial property development



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

- **URBAN RESIDENCES**, our residential development received the **BCA Quality Mark "STAR" Rating 2014**
- **PARC CENTROS**, our condominium development received the **BCA Green Mark Goldplus Award 2013**
- Four awards for **Construction Excellence** and three awards for **Certificate of Merit** from the Building and Construction Authority. These awards are testimony to our high standard of workmanship, project management and technical input in completed projects.
- Three **Architectural Heritage Awards** conferred by Urban Redevelopment Authority in recognition of our outstanding performance in carrying out restoration and conservations projects.
- Ranked amongst the **Enterprise 50** list which represents the cream of Singapore entrepreneurship for five consecutive years. We were bestowed the honour of **Enterprise 50 Five Years Award** for winning the **Enterprise 50** for five times in a row.

OUR BUSINESS



LOCAL PROPERTY DEVELOPMENT & INVESTMENT

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

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

Each development project may be undertaken by a separate entity which can be wholly-owned by WHD or co-owned with Joint Ventures partners.

OUR BUSINESS

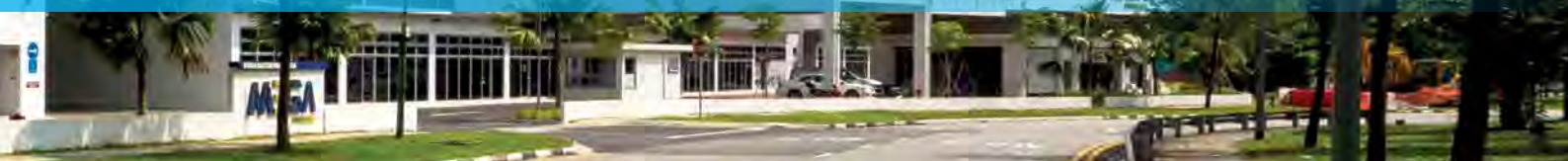
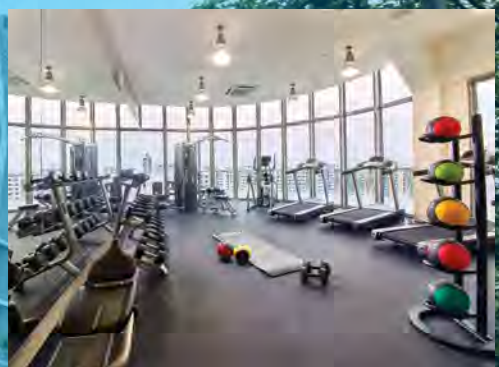


MEGA
@WOODLANDS

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

Status: TOP obtained in January 2018,
Sales Status as at 31 March 2019:
62% sold, including RTO 77%.

LOCAL PROPERTY DEVELOPMENT & INVESTMENT
Development for Sales



OUR BUSINESS



PARC BOTANNIA

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

Expected Date of Vacant Possession: 2021
Sales Status as at 31 March 2019: 75% sold



LOCAL PROPERTY DEVELOPMENT & INVESTMENT
Development for Sales



OUR BUSINESS

LOCAL PROPERTY DEVELOPMENT & INVESTMENT
Development for Sales



PARC CENTROS - TOP: 2016



PREMIER@KAKI BUKIT - TOP: 2014



URBAN RESIDENCES - TOP: 2014



HARVEST@WOODLANDS - TOP: 2012



VILLAS@GILSTEAD - TOP: 2011

OUR BUSINESS

OVERSEAS PROPERTY DEVELOPMENT & INVESTMENT

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

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

OUR BUSINESS

PARK CENTRAL

UNILODGE PARK CENTRAL

PARK CENTRAL MASTERPLAN



PARK CENTRAL ONE

Park Central, a transit-oriented development (TOD) located in Woolloongabba, just 7 minutes to the Brisbane CBD.

The master plan of Park Central consists of three developments over three plots of lands. A mega size of Purpose-built Student Accommodation of 1,578 beds, Unilodge Park Central has been developed. A mixed development, Park Central comprises residential

apartments, retails and commercial spaces will be built on the biggest plot of land in this TOD. Park Central One, a 18-storey building with 168 apartment units will be developed on the smallest plot of land.

Situated beside Buranda busway and railway station, Park Central offers unrivalled connectivity to bus, rail, road and bikeways and is destined to be the hub of activity in the catchment.

OUR BUSINESS

OVERSEAS PROPERTY DEVELOPMENT
& INVESTMENT
Development for Sales

PARK CENTRAL ONE



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

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

Status: Sales launched in 4Q2017
and sale has been encouraging.



OUR BUSINESS

PURPOSE- BUILT STUDENT ACCOMMODATION

The PBSA business is being undertaken via the Wee Hur PBSA Master Trust (the “Trust”), a vehicle managed by our wholly owned subsidiary Wee Hur Capital Pte Ltd.

Our PBSA business provides quality accommodation to tertiary students. These facilities are strategically located within proximity to universities, public transportation nodes and amenities in major capital cities. We grow our PBSA portfolio through greenfield and brownfield strategies with the objective to generate stable recurring income. Our PBSAs are developed with the end occupiers – students, in mind, and therefore the PBSAs generally boast huge communal spaces for students to interact and supporting amenities to create a conducive living environment.

We made our first foray in PBSA business in 2015 by developing a 1,578-bed PBSA at Buranda in Brisbane Australia. This PBSA was subsequently transferred under the Trust in 2017. So far, we have successfully acquired 5 land parcels which will yield approximately 4,544-bed PBSA, close to our target of building a portfolio of 5,000-bed PBSA in the major cities of Australia. These 5 land parcels are at different stages of development and are expected to be fully operational by 2022.

OUR BUSINESS

**1st PBSA:
UNILODGE
PARK CENTRAL,
Brisbane**



PURPOSE-BUILT STUDENT ACCOMMODATION

Completed Development



Location:

Unilodge Park Central is located at 8 Gillingham Street, in the Brisbane suburb of Woolloongabba. The facility is 3km South of the Central Business District, situated beside the Buranda busway and railway station. University of Queensland St Lucia campus, Queensland University of Technology Gardens Point campus and Griffith University both Mt Gravatt and Nathan campuses are all conveniently located within an easy few bus or train stops, while a bikeway provides another quick and sustainable way to get around. Nearby Buranda Village, Stones Corner Village and Westfield Carindale cater for retail and lifestyle amenities, and with the completion of Park Central masterplan, amenities provided to students will be greatly enhanced.

Facility:

Housing 1,578 beds across two buildings, the 25-storey Sky Tower and 14-storey Metro Tower are connected by link bridge. The facility has a bicycle storage and a shared basement carpark for over 400 cars. 10 retail stores are situated on the ground floor, catering to residential needs. A total of 687 studios and 891 shared apartment rooms reside within the complex. Communal facilities include a gym, theatre, BBQ pits, study rooms, game area, common laundry room and shared kitchen.

Status:

Commenced operations for Metro Tower in July 2018 and fully operational in January 2019.

OUR BUSINESS



Location:

UniLodge City Gardens is located at 89-109 Gray Street. The facility is in the North-West of Adelaide's city centre, a short walk from University of South Australia (UniSA) City West campus, TAFE South Australia, and 14 minutes by bus, to University of Adelaide (UoA) and UniSA City East campus. Adelaide Metro's free trams also enhance connectivity to major retail/lifestyle hubs including Adelaide Central Market and Rundle Mall. The site is poised to reap the benefits of major infrastructure growth and the re-gentrification of the north-west part of the city, including the new Royal Adelaide Hospital. This complex anticipates the needs that South Australia's projected increase in student population will have on the city, as well as its economic and commercial potential. The transformation will provide an environment for company incubation and

commercialisation which will attract more students studying in South Australia therefore driving up demand for PBSA.

Facility:

Housing 772 beds in a 17-storey building with a total of 548 studios, 32 twin apartment rooms and 192 shared apartment rooms within the complex, with a large internal-facing courtyard located on the ground floor. Communal facilities include a gym, theatre, BBQ pits, study rooms, game area, a basketball court, common laundry room and shared kitchen.

Status:

To complete in second quarter 2019 and expected to begin operations for second semester 2019.



3rd PBSA: A'BECKETT STREET, MELBOURNE

Location:

The facility is located at 183-189 A'Beckett Street. It is situated in Melbourne's North-Central city area, beside Flagstaff Gardens and Queen Victoria Market, the largest fresh food market in the Southern Hemisphere. Conveniently located within walking distance or short tram ride from top Universities including RMIT University, The University of Melbourne and Australian Catholic University. Chinatown and Melbourne Central railway station are also close-by, while Melbourne's free tram service within the city makes the rest of Melbourne's centre easily accessible.

Facility:

Planned to house 889 beds in a 47-storey building with a total of 551 studios, 280 ensuite cluster rooms and 29 twin share rooms housing 58 beds within the complex. This will be the Group's first high rise PBSA. More communal spaces will be incorporated within this prime real estate, including co-working spaces, function rooms, open balconies and a double volume penthouse viewing gallery, allowing students to take in Melbourne's skyline from the 47th floor. Additional communal facilities include game area, study rooms, theatre, common laundry room, shared kitchen and a gym.

Status:

To begin construction in second quarter 2019 and to complete in fourth quarter 2021. Expected to begin operations for first semester 2022.

OUR BUSINESS



4th PBSA: GIBBONS STREET, SYDNEY

Location:

The facility is located at 13-23 Gibbons Street. It is situated in the inner-city Sydney suburb of Redfern. An easy walking distance to Redfern train station, the city is a quick train, walk or cycle away, while the rest of Sydney is conveniently accessible by Sydney's extensive railway network. The University of Sydney (UoS) and University of Technology (UTS), TAFE NSW-Ultimeo and TAFE NSW-Eora are all close and easily accessible, while Central Park Mall, Haymarket and Chinatown provide convenient retail and lifestyle options. Poised to take advantage of Sydney's Metro Rail expansion including the proposed Waterloo train station operational by 2024, 13-23 Gibbons Street is ideally located to offer convenient living and quality of life for students in Australia's most iconic city. Major changes to the Redfern precinct include the on-going development

of the Australian Technology Park, which will furthermore contribute to the population density.

Facility:

Planned to house 488 beds in an 18-storey building with a total of 420 studios and 68 ensuite rooms. Communal facilities include a gym, theatre, BBQ pits, study rooms, game area, common laundry room and shared kitchen. The complex will house 2 retail units.

Status:

To begin construction in fourth quarter 2019 and to complete in second quarter 2021. Expected to begin operations for second semester 2021.

5th PBSA: WAYMOUTH STREET, ADELAIDE



Location:

The facility is located at 124 Waymouth Street. It is situated in the North-West of Adelaide's city centre beside Light Square. A short walk from University of South Australia (UniSA) City West campus, TAFE South Australia Adelaide campus and 7 minutes by bus from University of Adelaide (UoA) and UniSA City East campus. Retail hubs such as Adelaide Central Market and Rundle Mall are also within walking distance. The site is poised to reap the benefits of major infrastructure growth and the re-gentrification of the north-west CBD, including the new Royal Adelaide Hospital. This complex anticipates the needs that South Australia's projected increase in student population will have on the city, as well as its economic and commercial potential. The transformation will provide an environment for company incubation and commercialisation which will attract more students studying in South Australia therefore driving up demand for PBSA.

Facility:

Planned to house 817 beds in a 16-storey building with a total of 475 studios, 128 ensuite cluster rooms, 30 twin apartment rooms, 28 twin share rooms housing 56 beds and 128 shared apartment rooms within the complex. A double volume penthouse viewing gallery and herb garden on the top floor will provide residents with sweeping views over the city. Communal facilities include a gym, theatre, BBQ pits, study rooms, game area, common laundry room and shared kitchen. The complex will house 2 retail units.

Status:

To begin construction in second quarter 2019 and to complete in fourth quarter 2020. Expected to begin operations for first semester 2021.

OUR BUSINESS

FUND MANAGEMENT

The fund management business is undertaken by Wee Hur Capital Pte Ltd (“WHCP”). WHCP, a wholly-owned subsidiary of Wee Hur Holdings Ltd, originates and manages private equity real estate funds.

WHCP proactively manages each stage of the fund’s real estate life cycle through expertise in acquisition, development, asset and portfolio management. Our mission is to match investors’ capital with suitable real estate strategies to provide attractive risk-adjusted returns. We constantly strive to develop meaningful real estate solutions for the community, with specific attention to detail to create gem real estate assets.

Currently we are managing Wee Hur PBSA Master Trust. Please refer to “Our Business – PBSA” for more information.

OUR BUSINESS

CONSTRUCTION

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

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

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

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

OUR BUSINESS

PARC BOTANNIA

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

Client: Fernvale Green Pte Ltd
Expected Completion : 2020



ST JOHN'S-ST MARGARET'S CHURCH

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

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

Expected Completion : 2020



WORKSHOP, CAR SHOWROOM AND ANCILLARY OFFICE

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

Client: Stuttgart Auto Pte Ltd
Expected Completion : 2019

OUR BUSINESS



CHURCH OF OUR SAVIOUR



MEGA@WOODLANDS



PUB WaterHub

CONSTRUCTION
Recent Completed Projects



5-STOREY WAREHOUSE



PARC CENTROS



FERNVALE RIVERWALK

OUR BUSINESS



MATILDA COURT



PREMIER@KAKI BUKIT



HARVEST@WOODLANDS



PARKVIEW ELCAT



TRILIGHT



URBAN RESIDENCES

OUR BUSINESS

CONSTRUCTION Completed Projects



DBS ASIA HUB



NEXUS@ONE NORTH



JCUBE



STANDARD CHARTERED BANK

OUR BUSINESS

DORMITORY

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

Our dormitory business provides conducive living environment for foreign workers from construction, marine, process and manufacturing industries. We may acquire/lease land which have been approved for dormitory from Government or private sector and develop the land parcel into a dormitory complex which may include commercial and non-commercial amenities such as indoor recreational/multi-purpose room, indoor gymnasiums, TV rooms, reading rooms, canteens, minimarts, retail shops, outdoor game courts and etc.

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

OUR BUSINESS

DORMITORY

TUASVIEW DORMITORY

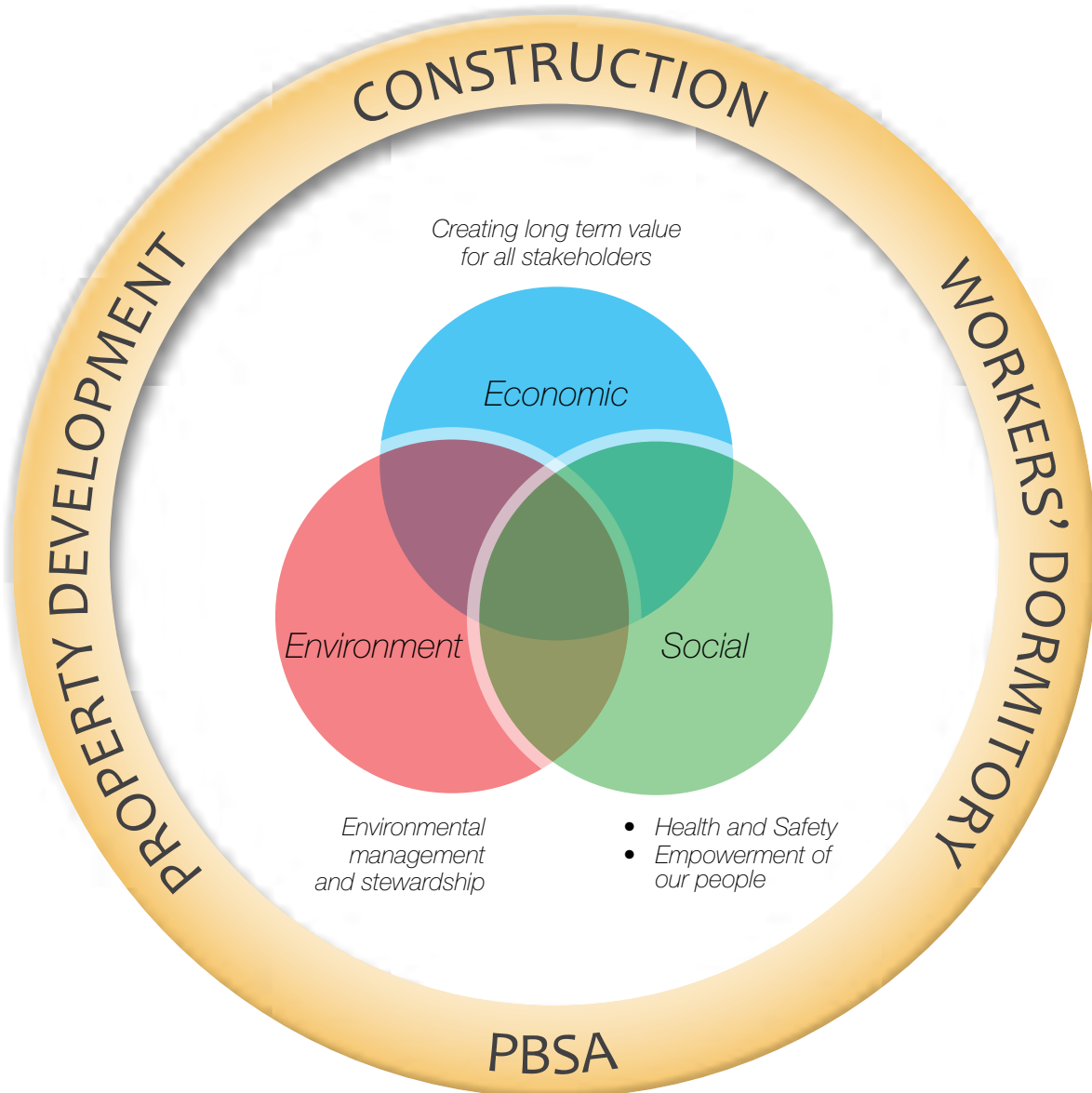
At a capacity of 16,800 beds, Tuas View Dormitory is one of the largest workers' dormitory in Singapore. This dormitory is a self-contained living quarters equipped with common toilets, designated cooking and food preparation area, laundry area and common dining cum interacting area. Catering to the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



SUSTAINABILITY SUMMARY

Sustainability Matters

At Wee Hur, we are fully committed to operate in a safe and green environment in all aspects of our business. Our overarching commitment towards sustainability include:



We continue to cultivate the sustainability mindset throughout the organisation. Our sustainability task force comprising of senior management reviews the Group's objectives and progress made to align with the strategic direction of the Group.

Our sustainability efforts will be shared in the FY2018 Sustainability Report.

CORPORATE INFORMATION

Board of Directors

Goh Yeow Lian
*Executive Chairman and
Managing Director*

Goh Yew Tee
*Executive Director and
Deputy Managing Director*

Goh Yeo Hwa
Executive Director

Goh Yew Gee
Non-Executive Director

Teo Choon Kow @ William Teo
Lead Independent Director

Wong Kwan Seng Robert
Independent Director

Audit Committee

Teo Choon Kow @ William Teo
Chairman

Wong Kwan Seng Robert

Goh Yew Gee

Nominating Committee

Wong Kwan Seng Robert
Chairman

Teo Choon Kow @ William Teo

Goh Yew Gee

Remuneration Committee

Teo Choon Kow @ William Teo
Chairman

Wong Kwan Seng Robert

Goh Yew Gee

Company Secretaries

Tan Ching Chek, LLB, ACIS and Teo Ah Hiong, ACIS
*c/o BSL Corporate Services Pte Ltd
220 Orchard Road
#05-01 Midpoint Orchard
Singapore 238852*

Registered Office

*39 Kim Keat Road
Wee Hur Building
Singapore 328814*

Share Registrar and Share Transfer Office

Boardroom Corporate & Advisory Services Pte Ltd
*50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623*

Auditor

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

Principal Bankers (in alphabetical order)

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

Solicitor

K&L Gates Straits Law LLC
*9 Raffles Place
#32-00 Republic Plaza
Singapore 048619*

CORPORATE GOVERNANCE REPORT

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

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

I. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda enabling the Directors to make informed decisions. The number of Board and Board Committee meetings held in the financial year 2018 are as follows:

	Board Committees			
	Board	Audit	Remuneration	Nominating
Number of meetings held	5	4	2	1
Attendance				
Goh Yeow Lian	5	4*	2*	1*
Goh Yew Tee	5	4*	2*	1*
Goh Yeo Hwa	5	4*	2*	1*
Goh Yew Gee	4	4	2	1
Teo Choon Kow @ William Teo	5	4	2	1
Wong Kwan Seng Robert	5	4	2	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 to:

- (i) supervise the overall management of the business and affairs of the Group, approving the Group's corporate and strategic policies and direction and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- (ii) formulate and approving financial objectives of the Group and monitoring its performances such as reviewing and approving of results announcements and approving of annual financial statements;
- (iii) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- (iv) oversee the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;
- (v) assume responsibility for corporate governance and compliances with the Companies Act and the rules and regulations of the relevant regulatory bodies;
- (vi) evaluate performance of management;
- (vii) approve the recommended framework of remuneration for the Board and key executives;
- (viii) identify the key stakeholders groups and recognise that their perceptions affect the Group's reputation;
- (ix) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- (x) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

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

The Board has adopted a set of internal guidelines on the matters requiring Board's approval. Certain functions have also been delegated to various Board committees, namely, the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**"). These committees function within clearly defined written terms of reference and operation procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

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

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

In order to ensure that the Board is able to fulfil its responsibilities, prior to the Board meetings, 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.

CORPORATE GOVERNANCE REPORT

The Directors are also regularly updated on the business activities of the Group during the Board meetings.

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

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

BOARD COMPOSITION AND GUIDANCE

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

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

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

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

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

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

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

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

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

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

CORPORATE GOVERNANCE REPORT

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

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

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

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

The NC comprises the following Directors:

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

Wong Kwan Seng Robert ("**Mr Wong**") and Mr Teo are Independent Directors. Goh Yew Gee is a Non-Executive Director.

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

- (i) identifying candidates and making recommendations on all Board appointments and re-nomination or continuation in office of any director;
- (ii) review the composition of the Board annually and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- (iii) review and determine annually if a director is independent;
- (iv) decide whether a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations, and proposing internal guidelines in relation to multiple board representations;
- (v) decide how the performance of the Board may be evaluated and propose objective performance criteria for approval by the Board;
- (vi) recommend 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; and
- (vii) give full consideration to succession planning for Directors and other senior executives in the course of its work.

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

CORPORATE GOVERNANCE REPORT

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

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

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

As at 31 December 2018, the two Independent Directors, Mr Teo and Mr Wong have served on the Board for more than nine years from the date of their first appointment. In subjecting the independence of Mr Teo and Mr Wong to particularly rigorous review, the NC and the Board have (with Mr Teo and Mr Wong each abstaining from discussion and deliberation on his own independence) placed more emphasis on whether each of them has demonstrated independent judgment, integrity, professionalism and objectivity in the discharge of his duties rather than imposing a maximum number of years that he should serve. The NC and the Board have noted that Mr Teo and Mr Wong have not hesitated to express their own viewpoint as well as seeking clarification from Management on issues they deem necessary. It is noted that Mr Teo and Mr Wong are able to exercise objective judgment on corporate matters independently, in particular from Management.

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

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

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

The NC has recommended Mr Goh and Goh Yew Tee, who are retiring at the forthcoming AGM, to be re-elected. The two Directors are retiring under Regulation 109 of the Company's Constitution. The retiring Directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

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

Name of Directors	Appointment	Date of Initial Appointment	Date of Last Re-election
Goh Yeow Lian	Executive Chairman and Managing Director	3 September 2007	27 April 2016
Goh Yew Tee	Executive Director and Deputy Managing Director	24 September 2007	27 April 2016
Goh Yeo Hwa	Member	24 September 2007	27 April 2018
Goh Yew Gee	Member	24 September 2007	27 April 2018
Teo Choon Kow @ William Teo	Member	14 December 2007	28 April 2017
Wong Kwan Seng Robert	Member	14 December 2007	28 April 2017

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

ACCESS TO INFORMATION

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

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

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

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

CORPORATE GOVERNANCE REPORT

II. REMUNERATION MATTERS

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

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

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

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

The RC comprises the following Directors:

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

Mr Teo and Mr Wong are Independent Directors. Goh Yew Gee is a Non-Executive Director.

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

- (i) review and recommend a framework of remuneration policy and guidelines for remuneration for the Directors and key management personnel; review and recommend the specific remuneration packages for each of the Executive Director, including the Executive Chairman and Managing Director, and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;
- (ii) review and recommend the remuneration packages of all managerial staff in the Company or any of its principal subsidiaries, including managerial staff who are related to any of the Directors or any substantial shareholders of the Company; and
- (iii) administer the Share Options Schemes of the Company, if any.

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

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group as a whole and the individual employees' performance. This is to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

Director's fees for the Independent Directors and Non-Executive Director are set in accordance with the remuneration framework comprising basic fees and committee fees. These are subject to the approval of the Company during the AGM. Executive Directors including the Executive Chairman and Managing Director do not receive directors' fees as they are remunerated as members of Management. The Board concurred with the RC that the proposed directors' fees for the year ended 31 December 2018 are appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors.

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

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

CORPORATE GOVERNANCE REPORT

Details of remuneration and benefits of Directors and key management personnel for the financial year ended 31 December 2018 which will provide sufficient overview of the remuneration of Directors and key management executives are set out below:

Remuneration Bands and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors					
Above S\$1,000,000					
Goh Yeow Lian*	–	12	87	1	100
Goh Yew Tee*	–	22	74	4	100
S\$500,001 to S\$1,000,000					
Goh Yeo Hwa*	–	24	71	5	100
Below S\$250,000					
Teo Choon Kow @ William Teo	100	–	–	–	100
Wong Kwan Seng Robert	100	–	–	–	100
Goh Yew Gee*	100	–	–	–	100
Key Executives					
S\$250,001 to S\$500,000					
Goh Cheng Huah	–	46	48	6	100
Koh Chong Kwang	–	46	47	7	100
Sua Chen Shiua*	–	43	52	5	100
Lu Tze Chern	–	43	50	7	100
Goh Wee Ping*	–	46	50	4	100
Below S\$250,000					
Gaw Chu Lan*	–	58	41	1	100
Lim Poh Choo Janet	–	73	26	1	100
Goh Yeu Toh [#]	–	56	26	18	100
Cheng Kiang Huat [#]	–	56	26	18	100
Chua Cheng Hoon	–	66	28	6	100

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

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

Given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the Company discloses the remuneration of the top ten key management personnel (who are not directors of the Company) of the Group in bands of S\$250,000 as set out above. For the same reason, the Company does not disclose the aggregate remuneration paid to the top ten key management personnel (who are not directors of the Company) of the Group.

CORPORATE GOVERNANCE REPORT

Other than those disclosed above, remuneration of immediate family members of Chairman/Directors who received remuneration which exceeded S\$50,000 for the financial year ended 31 December 2018 are as follows:

Remuneration Bands and Name

S\$150,001 to 200,000

Goh Chengyu

S\$100,001 to 150,000

Goh Chey Teck

Goh Wee Shian

Sua Teng Jah

Cheng Song Seng

S\$50,001 to S\$100,000

Goh Kong Li

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

The Company has in place the Wee Hur Employee Share Option Scheme and Wee Hur Performance Share Plan which were approved by the shareholders at an Extraordinary General Meeting held on 19 May 2009. No share options were issued as at to-date.

III. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

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

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

In preparing the financial statements, the Directors have:

- (i) selected suitable accounting policies and applied them consistently;
- (ii) made judgments and estimates that are reasonable and prudent;
- (iii) ensured that all applicable accounting standards have been followed; and
- (iv) prepared financial statements on the basis that the Directors have reasonable expectations, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future.

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

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS AND AUDIT COMMITTEE

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

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

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

With the assistance of the external consultant, the Group has established a Risk Governance and Internal Control Framework to monitor, manage and build awareness within the Group of the various risks to which the Group is exposed.

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

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

The AC comprises the following Directors:

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

Mr Teo and Mr Wong are Independent Directors. Goh Yew Gee is a Non-Executive Director.

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

- (i) review with external auditor the scope and results of the audit, system of internal controls, their management letter and management's response;
- (ii) review the financial statements including annual budget and any forecast, before submission to the Board for approval;
- (iii) review the scope and results of the internal audit proceedings of the internal auditors to ensure all possible precautions are taken to ensure no irregularities;
- (iv) review the interested person transactions in accordance with the Listing Rules of the SGX-ST;
- (v) review whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required;
- (vi) review all non-audit services provided by external auditor so as to ensure that any provision of such services would not affect the independence and objectivity of external auditor; and
- (vii) consider and recommend the appointment or re-appointment of the external auditor.

CORPORATE GOVERNANCE REPORT

In the review of the financial statements of the Group for the financial year ended 31 December 2018, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The AC reviewed, among other matters, the following significant matters identified by PricewaterhouseCoopers Singapore LLP ("**PWC**" or the "**External Auditor**") for the financial year ended 31 December 2018:

Matters Considered	Action
Revenue recognition in construction revenue	The AC accepts PWC's audit approach to revenue recognition which derived the percentage of completion based on the total construction contracts. The AC also viewed the external auditor work on the related construction costs which requires significant judgment to measure the total project costs (vs the total budgeted contract costs) including claims from contractors.
Net realisable value of development properties	The AC viewed this carrying amount of development properties of significant important balance sheet item and hence, the management judgment, assumption and estimation towards the value are critically important. The AC opines that the External Auditor work procedures and verification with 3rd parties are comprehensive.

The AC has been given full access and obtained the co-operation from 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 PWC, the External Auditor of the Company without the presence of Management to discuss the results of their examinations and their evaluation of the systems of internal accounting controls. In addition, updates on changes in accounting standards and treatment are prepared by the External Auditor and circulated to members of the AC periodically for information.

The AC has reviewed the nature and extent of non-audit services provided by PWC and the fees paid for its audit services, non-audit services and the aggregate amount of fees paid in respect of the financial year ended 31 December 2018. The AC is of the view that the independence of the External Auditor has not been compromised.

PWC has been engaged to audit the financial statements of the Company and its Singapore incorporated subsidiaries. The Group has also engaged PricewaterhouseCoopers Australia LLP as the auditor to audit the financial statements of the Company's foreign-incorporated subsidiaries for the financial year ended 31 December 2018.

The Group does not have any foreign-incorporated associated companies. Accordingly, the Group has complied with the Rules 715 and 717 of the Listing Manual in relation to its auditing firm. All the Singapore-incorporated subsidiaries of the Group are audited by PWC. The Group has one Singapore-incorporated associated company which is significant to the Group for the financial year ended 31 December 2018 and is audited by Ernst & Young LLP. The Group therefore complied with Rule 716 of the Listing Manual.

The Company has put in place a whistle-blowing policy since 2008. This policy will provide well-defined and accessible channels in the Group through which employees and third parties may raise concerns about improper conduct within the Group. No reports were received by the Group under the whistle-blowing policy during the financial year.

INTERNAL AUDIT

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

The Company has appointed Nexia TS Risk Advisory Pte Ltd as its Internal Auditors for the financial year 2018. The Internal Auditors plans its internal audit schedules in consultation with Management and its plans are submitted to the AC for approval. The AC reviews and approves the internal audit plans and resources and also ensures that Nexia TS Risk Advisory Pte Ltd has the necessary resources to adequately perform its functions and is adequately staffed with persons with the relevant qualifications and experience.

CORPORATE GOVERNANCE REPORT

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

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

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

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

Based on the aforesaid and the statutory audit conducted by the External Auditor and the internal audit conducted by the Internal Auditors, the Board, with the concurrence of the AC, is satisfied that the system of internal controls, including financial, operational, compliance and information technology controls and risk management system, are adequate and effective to meet the needs of the Group's existing business objectives, having addressed the critical risks area for the financial year ended 31 December 2018. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgment in decision-making, human errors, losses, frauds or other irregularities.

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

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDERS' MEETINGS

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

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

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

The Company does not practice selective disclosure. Price sensitive information is always announced to the SGX-ST through SGXNET after trading hours. Financial results and annual reports are announced or issued to the SGX-ST within the mandatory periods.

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the annual report, the notice of AGM and circulars and notices pertaining to any extraordinary general meetings of the Company. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder who is not a relevant intermediary may appoint up to two proxies to attend and vote on his/her behalf at the general meetings while a member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the general meetings through proxy form deposited 72 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

CORPORATE GOVERNANCE REPORT

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

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

V. OTHER CORPORATE GOVERNANCE MATTERS

DIVIDEND POLICY

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

DEALINGS IN SECURITIES

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

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

DISCLOSURE OF MATERIAL CONTRACTS

Except as disclosed under Interested Person Transactions, there is no material contract entered into by the Company or any of its subsidiaries involving the interests of any Directors or the Controlling Shareholder during the financial year 2018.

INTERESTED PERSON TRANSACTIONS

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

Disclosure according to the Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the financial year 2018 is stated in the following table:

CORPORATE GOVERNANCE REPORT

	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	S\$'000	S\$'000
WM (Kaki Bukit) Pte Ltd ⁽¹⁾	43,989	-
Goh Yew Tee ⁽²⁾	691	-
Goh Yeow Lian ⁽³⁾	633	-
Goh Yew Gee ⁽³⁾	623	-
Goh Yeu Toh ⁽³⁾	604	-
Goh Yeo Hwa ⁽³⁾	599	-
Upside Investments Pte Ltd ⁽⁴⁾	30,763 ⁽¹⁰⁾	-
PSH Ventures Pte Ltd ⁽⁴⁾		
Wealth Investment Pte Ltd ⁽⁵⁾		
Sustained Investment Pte Ltd ⁽⁶⁾		
Bull Mountain Investment Pte Ltd ⁽⁷⁾		
QiCheng Investment Pte Ltd ⁽⁸⁾		
Bonanza Capital Pte Ltd ⁽⁹⁾		

Notes:

- (1) A guarantee in the sum of S\$43,989,300 provided by the Company in respect of a banking facilities granted to Wee Hur (Woodlands 12) Pte Ltd ("WHW12"). The said guarantee was given by the Company, the immediate holding company of Wee Hur Development Pte Ltd ("WHD") which is the joint venture partner of WHW12, in proportion of WHD's shareholding in WHW12 on the same terms applicable to all joint venture partners of WHW12. Please refer to the announcements dated 4 June 2018 and 13 June 2018.
- (2) As per announcement dated 13 June 2018 on the sale of property by Wee Hur (Buranda 3) Pty Ltd to interested person as Interested Person Transaction.
- (3) As per announcement dated 29 June 2018 on the sale of property by Wee Hur (Buranda 3) Pty Ltd to interested person as Interested Person Transaction.
- (4) Upside Investments Pte Ltd ("Upside Investments") and PSH Ventures Pte Ltd ("PSH Ventures") are incorporated in Singapore. The directors and shareholders of Upside Investments are Goh Yeow Lian and his immediate family. The shareholder of PSH Ventures is PSH Investment Ltd. PSH Investment Ltd is owned by a trust where Goh Yeow Lian and his immediate family are the beneficiaries of the trust.
- (5) Wealth Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Tee and his immediate family.
- (6) Sustained Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yeo Hwa and his immediate family.
- (7) Bull Mountain Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Gee and his immediate family.
- (8) QiCheng Investment Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yeu Toh and his immediate family.
- (9) Bonanza Capital Pte Ltd is incorporated in Singapore. The directors and shareholders of the company are Goh Yew Lay and his immediate family.
- (10) Shareholders' approval obtained via an Extraordinary General Meeting held on 21 June 2018 on the proposed provision of security documents by the Company for banking facilities obtained by any sub-trust of the Wee Hur PBSA Master Trust in which the collective interest of Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa, Goh Yew Gee, Goh Yeu Toh and Goh Yew Lay, whether directly or indirectly including through their respective special purpose vehicles, in the Wee Hur PBSA Master Trust exceeds 5% but shall not be more than 15%.

A guarantee in the sum of S\$30,763,000 (equivalent to A\$31,200,000) was provided by the Company in respect of a banking facilities granted to WH Gray Street Trust, a sub-trust of Wee Hur PBSA Master Trust. This amount represents 60% of the facility limit of A\$52,000,000. As of the date hereof, the Company has a 67.14% interest in Wee Hur PBSA Master Trust while Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa, Goh Yew Gee, Goh Yeu Toh and Goh Yew Lay, collectively hold 8.76% interest in Wee Hur PBSA Master Trust.

CORPORATE GOVERNANCE REPORT

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

USE OF PROCEEDS

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

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2018 and the balance sheet of the Company as at 31 December 2018.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 80 to 157 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Executive Chairman and Managing Director

Goh Yeow Lian

Executive Directors

Goh Yew Tee

Goh Yeo Hwa

Non-Executive Director

Goh Yew Gee

Independent Directors

Teo Choon Kow @ William Teo

Wong Kwan Seng Robert

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "**Share Options**" in this statement.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year were not interested in shares or debentures of the Company or other related body corporate as recorded in the Register of Directors' Shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 (the "**Act**"), except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2018	At 1.1.2018 or date of appointment, if later	At 31.12.2018	At 1.1.2018 or date of appointment, if later
Wee Hur Holdings Ltd. (the "Company") (No. of ordinary shares)				
Goh Yeow Lian	17,963,000	17,963,000	400,194,872	400,194,872
Goh Yew Tee	1,159,416	11,159,416	15,550,000	5,550,000
Goh Yeo Hwa	6,404,200	6,404,200	36,799,257	36,799,257
Goh Yew Gee	6,490,120	6,490,120	10,000,000	10,000,000
Wong Kwan Seng Robert	225,000	225,000	–	–

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

The directors' interests as at 21 January 2019 were the same as those at the end of the financial year.

Share Options

(a) Wee Hur Employee Share Option Scheme

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

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

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

DIRECTORS' STATEMENT

Share Options (continued)

(a) Wee Hur Employee Share Option Scheme (continued)

A summary of the Wee Hur ESOS is as follows:

(i) Background and rationale for the Wee Hur ESOS

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

(ii) Eligibility

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

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

(iii) Size of the Wee Hur ESOS

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

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

(iv) Exercise price

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

DIRECTORS' STATEMENT

Share Options (continued)

(a) Wee Hur Employee Share Option Scheme (continued)

(v) Exercise of options

Options granted with the exercise price set at the Market Price shall only be exercisable by a participant after the first anniversary from the date of grant. Options granted with the exercise price set at a discount to the Market Price shall only be exercisable by a participant after the second anniversary from the date of grant. An option may be exercised in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) and in accordance with a vesting schedule and the conditions (if any) to be determined by the Committee on the date of grant of the respective options.

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

(vi) Operation of the Wee Hur ESOS

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

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

(vii) Duration of the Wee Hur ESOS

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

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

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

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

DIRECTORS' STATEMENT

Share Options (continued)

(b) Performance share plan

Wee Hur Performance Share Plan

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

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

A summary of the Wee Hur PSP is as follows:

(i) Background and rationale for the Wee Hur PSP

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

- (1) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (such Awards being "**time-based Awards**"); or
- (2) where the Award is performance-related, after the participant achieves a pre-determined performance target (such Awards being "**performance-related Awards**").

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

(ii) Eligibility

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

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

(iii) Size of the Wee Hur PSP

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

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

DIRECTORS' STATEMENT

Share Options (continued)

(b) Performance share plan (continued)

(vi) Types of Awards

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

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

(v) Details of Awards

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

- (1) the date on which the Award is to be granted;
- (2) the number of shares which are the subject of the Award;
- (3) in the case of a performance-related Award, the performance period(s) during which the performance condition(s) are to be satisfied and the performance condition(s);

the prescribed vesting period(s) which would generally be a period of up to one year following such time when the prescribed service condition(s) and/or performance condition(s) are met; and
- (4) the schedule setting out the extent to which shares will be released on satisfaction of the performance target(s) (if any).

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

DIRECTORS' STATEMENT

Share Options (continued)

(b) Performance share plan (continued)

(vi) Operation of the Wee Hur PSP

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

- (1) an issue of new shares; and/or
- (2) the transfer of treasury shares; and/or
- (3) payment of the Equivalent Value in Cash (after deduction of any applicable taxes).

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

$$A = B \times C$$

Where:

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

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

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

(vii) Duration of the Wee Hur PSP

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

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

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

DIRECTORS' STATEMENT

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Teo Choon Kow @ William Teo (Chairman of audit committee)

Wong Kwan Seng Robert (Independent Director)

Goh Yew Gee (Non-Executive Director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2018 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

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

On behalf of the Board of Directors

Goh Yeow Lian
Director

Goh Yew Tee
Director

4 April 2019

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Wee Hur Holdings Ltd. ("**the Company**") and its subsidiaries ("**the Group**"), the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("**the Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2018;
- the balance sheet of the Group as at 31 December 2018;
- the balance sheet of the Company as at 31 December 2018;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in construction revenue Revenue from construction contracts amounted to \$81.3 million, representing 28% of the Group's total revenue for the financial year ended 31 December 2018. Construction revenue is recognised overtime by reference to the Group's progress toward completing the contracts. The measure of progress is determined based on the proportion of costs incurred to date to the estimated total costs for the construction contract. Significant judgement is required to estimate the total construction costs, variations or claims recognised as contract revenue, and provision for liquidated damages that will affect the measure of progress and revenue and profit margins recognised from construction contracts. Accordingly, we have assessed the accounting for construction contracts as a key audit matter.	<p>We have performed the following audit procedures on a sample of projects to address the key audit matter:</p> <p>We have obtained an understanding of projects through discussions with management and examination of project documentation (including contracts and correspondences with customers).</p> <p>In relation to total contract revenue, our audit procedures include the following:</p> <ul style="list-style-type: none">a) Traced total contract sums to contract and variation orders entered into by the Group and its customers;b) Recomputed the measure of progress and the revenue recognised;c) Assessed the adequacy of provision for liquidated damages to be net off against contract revenue recognised (where relevant); andd) Assessed the reasonableness of the revenue recognised via discussion with the project teams and obtaining corroborating evidence such as correspondences with the customers. <p>In relation to total contract costs, our audit procedures include the following:</p> <ul style="list-style-type: none">a) Reviewed the actual costs incurred by tracing to supplier invoices or sub-contractors progress billings; andb) Reviewed management's estimates of total construction costs and costs to complete via the following:<ul style="list-style-type: none">i. Substantiated to contracts entered for sub-contracting costs;ii. Reviewed the estimation of the material, labour and other construction costs with reference to the progress of the project; andiii. Discussed with the project team and compared the percentage of actual costs incurred over the total contract costs against the percentage of completion.

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

Key audit matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in construction revenue (continued)	<p>Based on the audit procedures performed, we have assessed management's estimates to be reasonable.</p> <p>We have also recomputed the cumulative contract revenue and the contract revenue for the current financial year for these projects and traced to the accounting records with no exception noted.</p> <p>We have also assessed the disclosures in the financial statements in relation to the sensitivity of contract revenue and contract costs of uncompleted contracts to the construction contract estimates to be appropriate.</p>
Net realisable value of development properties <p>As at 31 December 2018, the Group's development properties amounted to \$131.3 million, representing 17% of the Group's total assets.</p> <p>These development properties are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable values of these development properties is critically dependent upon the Group's expectations of forecasted selling prices and estimated costs to develop these properties.</p> <p>Weak demand and oversupply caused by challenging economic environment might exert downward pressure on sales volume and properties prices. Significant judgement is required in the determination of the net realisable values of the development properties. Accordingly, we have assessed the net realisable value of development properties as a key audit matter.</p>	<p>We have performed the following audit procedures, focusing on development projects with slower than expected sales or low margins to address the key audit matter:</p> <ul style="list-style-type: none">a) Traced the forecasted selling price to recently transacted prices of the development properties or to recently transacted prices of comparable properties;b) Reviewed the actual costs to-date and the estimated costs to complete with reference to agreements and variation orders with contractors;c) Assessed the adequacy of write down to net realisable value determined based on comparing the forecasted selling price and cost incurred for each unit. <p>Based on the audit procedures performed, we have assessed management's assessment of net realisable value of development properties to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of WEE HUR HOLDINGS LTD.

Report on other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore

4 April 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Revenue	4	293,694	160,352
Cost of sales	5	(210,094)	(122,172)
Gross profit		83,600	38,180
Other income			
– Interest		3,588	1,816
– Others	6	4,059	3,635
Other gains and losses			
– Impairment loss on financial assets	29(b)	(424)	(216)
– Others	7	(12,515)	1,148
Expenses			
– Administrative	5	(23,583)	(16,274)
– Distribution and marketing	5	(3,099)	(1,984)
– Finance	9	(6,831)	(1,371)
Share of profit of associated company	20	4,292	710
Profit before income tax		49,087	25,644
Income tax expense	10	(15,896)	(6,871)
Profit for the year		33,191	18,773
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation – losses		(5,785)	(832)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation – (losses)/gains	27	(513)	1
Other comprehensive income, net of tax		(6,298)	(831)
Total comprehensive income		26,893	17,942
Profit attributable to:			
Equity holders of the Company		25,012	18,671
Non-controlling interests		8,179	102
		33,191	18,773
Total comprehensive income attributable to:			
Equity holders of the Company		19,227	17,839
Non-controlling interests		7,666	103
		26,893	17,942
Earnings per share (“EPS”) for profit attributable to equity holders of the Company (cent per share)			
Basic EPS	11	2.72	2.03

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

BALANCE SHEET – GROUP

For the Financial Year Ended 31 December 2018

		31 December		1 January
	Note	2018 \$'000	2017 \$'000	2017 \$'000
ASSETS				
Current assets				
Development properties	12	131,263	261,147	217,345
Trade and other receivables	13	71,503	61,810	79,552
Financial assets, at FVPL	14	6,306	46,240	48,704
Cash and cash equivalents	15	162,356	151,015	150,874
		371,428	520,212	496,475
Asset classified as held-for-sale	16	–	72,112	–
		371,428	592,324	496,475
Non-current assets				
Property, plant and equipment	17	24,401	21,697	8,370
Investment properties	18	316,766	198,720	164,918
Investment in associated company	20	8,212	3,920	2,995
Deferred income tax assets	21	7,053	6,617	6,818
Other receivables	13	39,776	29,841	25,532
		396,208	260,795	208,633
Total assets		767,636	853,119	705,108
LIABILITIES				
Current liabilities				
Current income tax liabilities	10	15,694	3,819	33,685
Trade and other payables	22	91,543	202,128	163,022
Derivative financial instruments	23	2,347	365	658
Borrowings	24	168,258	199,064	100,936
		277,842	405,376	298,301
Non-current liabilities				
Borrowings	24	12,129	17,251	33,917
Deferred income tax liabilities	21	2,567	3,428	950
Other payables	22	97,464	79,147	29,695
		112,160	99,826	64,562
Total liabilities		390,002	505,202	362,863
NET ASSETS		377,634	347,917	342,245
EQUITY				
Equity attributable to equity owners of the Company				
Share capital	25	125,733	125,733	125,733
Currency translation reserve	27	(4,442)	1,343	2,175
Retained profits		244,408	225,831	212,675
		365,699	352,907	340,583
Non-controlling interests		11,935	(4,990)	1,662
Total equity		377,634	347,917	342,245

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

BALANCE SHEET – COMPANY

For the Financial Year Ended 31 December 2018

		31 December		1 January
	Note	2018 \$'000	2017 \$'000	2017 \$'000
ASSETS				
<u>Current assets</u>				
Trade and other receivables	13	22,756	16,283	23,259
Financial assets, at FVPL	14	6,306	46,240	48,704
Cash and cash equivalents	15	43,520	19,164	80,002
		72,582	81,687	151,965
<u>Non-current assets</u>				
Property, plant and equipment	17	4	5	–
Investment in subsidiaries	19	53,981	29,031	67,821
Deferred income tax assets	21	123	178	143
Other receivables	13	251,537	231,858	151,608
		305,645	261,072	219,572
Total assets		378,227	342,759	371,537
LIABILITIES				
<u>Current liabilities</u>				
Current income tax liabilities	10	–	–	52
Trade and other payables	22	58,066	31,284	65,755
Derivative financial instruments	23	2,310	365	658
		60,376	31,649	66,465
<u>Non-current liabilities</u>				
Other payables	22	11,763	16,527	22,515
		11,763	16,527	22,515
Total liabilities		72,139	48,176	88,980
NET ASSETS		306,088	294,583	282,557
<u>EQUITY</u>				
Equity attributable to equity owners of the Company				
Share capital	25	125,733	125,733	125,733
Retained profits		180,355	168,850	156,824
Total equity		306,088	294,583	282,557

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2018

	Note	Share Capital \$'000	Currency Translation Reserve \$'000	Retained Profits \$'000	Total \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
Group 2018							
Balance as at 1 January 2018		125,733	1,343	225,831	352,907	(4,990)	347,917
Profit for the year		–	–	25,012	25,012	8,179	33,191
Other comprehensive income for the year		–	(5,785)	–	(5,785)	(513)	(6,298)
Total comprehensive income for the year		–	(5,785)	25,012	19,227	7,666	26,893
Dividend paid	26	–	–	(6,435)	(6,435)	(1,500)	(7,935)
Fair value adjustment on interest free loans from non-controlling interests		–	–	–	–	10,705	10,705
Capital contribution from non-controlling interests		–	–	–	–	54	54
Balance as at 31 December 2018		125,733	(4,442)	244,408	365,699	11,935	377,634
Group 2017							
Balance as at 1 January 2017		125,733	2,175	212,675	340,583	1,662	342,245
Profit for the year		–	–	18,671	18,671	102	18,773
Other comprehensive income for the year		–	(832)	–	(832)	1	(831)
Total comprehensive income for the year		–	(832)	18,671	17,839	103	17,942
Dividend paid	26	–	–	(5,515)	(5,515)	(7,000)	(12,515)
Capital contribution from non-controlling interests		–	–	–	–	245	245
Balance as at 31 December 2017		125,733	1,343	225,831	352,907	(4,990)	347,917

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Profit for the year		33,191	18,773
<i>Adjustments for:</i>			
– Income tax expense		15,896	6,871
– Interest income		(3,588)	(1,816)
– Finance expenses		6,831	1,371
– Dividend income		(479)	(1,378)
– Depreciation		17,934	16,016
– Impairment loss on financial assets		424	216
– (Reversal of)/allowance for impairment loss on development property		(33)	33
– Fair value loss/(gain) on derivative financial instruments		2,054	(293)
– Fair value loss/(gain) on financial assets, at FVPL		236	(834)
– (Gain)/loss on disposal of plant and equipment		(37)	9
– Gain on disposal of asset held for sale		(6,451)	–
– Loss on disposal of other financial assets		729	104
– Plant and equipment written off		362	–
– Unrealised currency translation losses		14,260	1,433
– Share of profit of associated company		(4,292)	(710)
		77,037	39,795
Change in working capital, net of effects from acquisition and disposal of subsidiaries:			
– Trade and other receivables		(10,462)	17,311
– Development properties		125,740	(57,249)
– Trade and other payables		(107,067)	37,576
Cash generated from operations		85,248	37,433
Income tax paid		(4,555)	(33,472)
Withholding tax paid		(595)	(564)
Net cash provided by operating activities		80,098	3,397
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,402)	(209)
Purchase of investment properties		(159,142)	(120,532)
Purchase of financial assets, at FVPL		–	(2,798)
Proceeds from disposal of plant and equipment		84	3
Proceeds from disposal of financial assets		38,969	5,992
Proceeds from disposal of investment property		66,594	–
Loans to an associated company		–	(4,069)
Interest received		2,360	1,457
Dividends received		479	1,378
Net cash used in investing activities		(55,058)	(118,778)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from financing activities			
Proceeds from capital contribution from non-controlling interests		54	245
Dividends paid to equity holders of the Company		(6,435)	(5,515)
Dividends paid to non-controlling interests		(1,500)	(7,000)
Interest paid		(4,100)	(3,075)
Bank deposit pledged		10,140	(10,140)
Proceeds from borrowings		70,448	105,326
Proceeds from related parties' loan		33,673	49,742
Repayment of borrowings		(98,566)	(22,907)
Repayment of related parties' loan		(2,000)	–
Net cash provided by financing activities		1,714	106,676
Net increase/(decrease) in cash and cash equivalents		26,754	(8,705)
Cash and cash equivalents			
Beginning of financial year		140,875	150,874
Effects of currency translation on cash and cash equivalents		(5,273)	(1,294)
End of financial year	15	162,356	140,875

Reconciliation of liabilities arising from financing activities

	1 January 2018 \$'000	Proceeds from borrowings \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2018 \$'000
				Interest expense \$'000	Foreign exchange movement \$'000	Fair value adjustment \$'000	
Borrowings	216,315	70,448	(105,987)	7,421	(7,810)	–	180,387
Related parties' loan	76,647	33,673	(2,000)	2,441	(4,771)	10,526	95,464
	1 January 2017 \$'000	Proceeds from borrowings \$'000	Principal and interest payments \$'000	Non-cash changes			31 December 2017 \$'000
				Interest expense \$'000	Foreign exchange movement \$'000	Fair value adjustment \$'000	
Borrowings	134,853	105,326	(26,365)	3,458	(957)	–	216,315
Related parties' loan	27,195	49,742	–	296	(751)	165	76,647

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

1. General Information

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

The principal activity of the Company is an investment holding company. The principal activities of its subsidiaries are building construction, workers’ dormitory, property development, Purpose-built Student Accommodation (“**PBSA**”) and fund management services.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group’s previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards (“**SFRS**”).

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

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group’s opening balance sheet has been prepared as at 1 January 2017, which is the Group’s date of transition to SFRS(I) (“**date of transition**”).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Adoption of SFRS(l) (continued)

(a) *Optional exemptions applied*

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

(i) *Business combinations*

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

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

(ii) *Leases*

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

(iii) *Borrowing costs*

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

(iv) *Short-term exemption on adoption of SFRS(l) 9 Financial Instruments*

The Group has elected to apply the short-term exemption to adopt SFRS(l) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 December 2017. The Group is also exempted from complying with SFRS(l) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(l) 7 relate to the items within scope of SFRS(l) 9.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Adoption of SFRS(I) (continued)

(a) Optional exemptions applied (continued)

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

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 January 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;
- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications; and
- for the financial year ended 31 December 2017, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

The adoption of SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current and prior financial year to the Group's balance sheet, statement of comprehensive income and statement of cash flows.

As disclosed above, the Group has applied certain exemptions in preparing this first set of financial statements in accordance with SFRS(I). The exemptions had not resulted in material adjustments to the previously issued SFRS financial statements.

(b) Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively. As disclosed in Note 2.2(a)(v), the Group has also elected to apply the transition provisions under paragraph C5 of the SFRS(I) 15 at 1 January 2018.

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

Presentation of contract assets and contract liabilities

The Group has also changed the presentation of certain amounts within the trade and other receivables (Note 13) and trade and other payables (Note 22) notes as at 31 December 2017 and 1 January 2017 on adopting SFRS(I) 15:

- Contract assets as disclosed in Note 13 relating to construction of buildings contracts in progress were previously presented as "Trade receivables from non-related parties" of \$6,098,000 (1 January 2017: \$13,223,000), "Trade receivables from related parties" of \$4,392,000 (1 January 2017: Nil) and "Retention sum on construction contracts" of \$5,104,000 (1 January 2017: \$3,778,000) under Trade receivables and "Amounts due from contract customer" under "Other assets" of \$2,745,000 (1 January 2017: Nil) under SFRS.
- Contract liabilities as disclosed in Note 22 in relation to construction of buildings contracts in progress were previously presented as "Due to customers on construction contracts" under "Other liabilities" of \$46,765,000 (1 January 2017: \$40,398,000) under SFRS.
- Contract liabilities as disclosed in Note 22 in relation to sale of development properties were previously presented as "Progress billings" of \$70,648,000 (1 January 2017: \$27,388,000) under SFRS.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Adoption of SFRS(I) (continued)

(c) Adoption of SFRS(I) 9

As disclosed in Note 2.2(a)(iv), the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 December 2017.

At the same time, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

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

There were no material impact to the Group's balances on adoption of SFRS(I) 9. The accounting policies for the financial instruments under SFRS(I) 9 is as discloses in Note 2.11.

(i) Impairment of financial assets

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

- trade receivables and contract assets recognised under SFRS(I) 15;
- loans to related parties and other receivables at amortised cost.

The impairment methodology under SFRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Note 2.11 and Note 29(b).

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.3 Revenue

(a) *Revenue from contracts with customers*

(i) *Construction contracts*

The Group performs construction works for customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhance an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contract, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the Group's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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

Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts. Contract modifications that add distinct goods or services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. Contract modification that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.3 Revenue (continued)

(a) *Revenue from contracts with customers (continued)*

(ii) *Revenue from sale of development properties*

Revenue is recognised when the control over the property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the property over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where the Group does not have enforceable right to payment, revenue is recognised only when the completed property is delivered to the customers and the customers have accepted it in accordance with the sales contract.

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

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

No element of financing is deemed present as:

- (i) For deposit of the contract, payment is due immediately when the customer enters into the contract; and
- (ii) For milestone invoice, a credit term of 14 days is granted to the customer.

(b) *Interest income*

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

(c) *Rental income*

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

(d) *Dividend income*

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Government grants

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

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

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

2.5 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies*

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

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

(i) *Acquisitions*

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

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(c) Associated companies (continued)

(iii) Disposals

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

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

2.6 Property, plant and equipment

(a) Measurement

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

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

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

(b) Depreciation

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

	<u>Useful lives</u>
Leasehold property	Up to 13 years
Container office and furniture	5 years
Renovation and air-conditioners	5 years
Equipment and machinery	1 and 5 years
Motor vehicles	10 years
Computers	1 year

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.6 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

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

2.7 Borrowing costs

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

2.8 Investment properties

Investment properties include workers’ dormitory and PBSA and that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

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

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of up to 6 years for the leasehold workers’ dormitory. No depreciation is provided for PBSA under construction. However, depreciation for the completed PBSA is calculated using straight-line method to allocate depreciable amounts over estimated useful lives up to 40 years. The estimated useful lives are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.9 Investments in subsidiaries and associated companies

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

2.10 Impairment of non-financial assets

Property, plant and equipment

Investments in subsidiaries and associated companies

Investment properties

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

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

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

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

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

2.11 Financial assets

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

(a) Classification

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) *Classification (continued)*

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” (Note 13) and “cash and cash equivalents” (Note 15) on the balance sheet.

(b) *Recognition and derecognition*

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

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

(c) *Initial measurement*

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

(d) *Subsequent measurement*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(e) *Impairment*

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

Loans and receivables

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

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

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

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

(f) *Classification and measurement*

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

- Amortised cost;
- Fair value through profit or loss (FVPL).

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(f) *Classification and measurement (continued)*

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

Subsequent measurement categories depend on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses".

(g) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29(b) details how the Group determines whether there has been a significant increase in credit risk.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(h) *Recognition and derecognition*

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

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

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

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Financial guarantees

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

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

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

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

2.13 Borrowings

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.14 Trade and other payables

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

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

2.15 Offsetting of financial instruments

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

2.16 Leases

(a) *When the Group is the lessee*

The Group leases land and warehouses under operating leases from non-related parties.

Lessee - Operating leases

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

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

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

The Group leases office space, commercial spaces, workers' dormitories and PBSA under operating leases to related and non-related parties.

Lessor - Operating leases

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

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.17 Income taxes

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

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

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

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

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

2.18 Provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.19 Employee compensation

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

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

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as the result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

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

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

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

(c) *Translation of Group entities' financial statements*

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

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

2. Significant accounting policies (continued)

2.21 Segment reporting

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

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.23 Share capital and treasury shares

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

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

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

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

2.24 Dividends to Company's shareholders

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

2.25 Derivatives financial instruments and hedging activities

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 109 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

2.26 Assets classified as held for sale

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

3. Critical accounting estimates, assumptions and judgements

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

(a) *Recognition of construction revenue*

The Group has significant ongoing contracts to construct buildings. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the buildings. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs for the construction contract.

Management has to estimate the total construction costs to complete to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total construction costs to complete. In making these estimates, management has relied on the expertise of the project teams to determine the progress of the construction and also on past experience of completed projects.

If the total contract cost of on-going contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's revenue and contract assets would have been lower/higher by \$4,038,000 and \$4,721,000 respectively.

(b) *Net realisable value of development properties*

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

(c) *Uncertain tax positions*

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

4. Revenue

	Group	
	2018 \$'000	2017 \$'000
Rental income	41,825	41,216
Revenue from contracts with customers		
– Building construction	81,337	119,136
– Property development	170,532	–
	251,869	119,136
Total revenue	293,694	160,352

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services at point in time and over time in Singapore. Revenue is attributed to countries by location of customers.

	At a point in time \$'000	Over time \$'000	Total \$'000
2018			
<u>Revenue from contracts with customers</u>			
Building construction			
– Singapore	–	81,337	81,337
Property development			
– Singapore	170,532	–	170,532
	170,532	81,337	251,869
2017			
<u>Revenue from contracts with customers</u>			
Building construction			
– Singapore	–	119,136	119,136

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities

	Note	Group		
		31 December		1 January
		2018 \$'000	2017 \$'000	2017 \$'000
<i>Contract assets</i>				
– Construction of buildings	2.2(b)(i)	24,184	18,339	17,001
Total contract assets		24,184	18,339	17,001
<i>Contract liabilities</i>				
– Construction of buildings	2.2(b)(i)	–	(46,765)	(40,398)
– Sale of development properties	2.2(b)(ii)	(1,657)	(70,648)	(27,388)
Total contract liabilities		(1,657)	(117,413)	(67,786)

Contract assets relate to construction of buildings contracts. The contract assets balance increased as the Group provided more services and transferred more goods ahead of the agreed payment schedules.

Contract liabilities for construction of buildings contracts has decreased due to lesser contracts in which the Group billed and received consideration ahead of the provision of services.

Contract liabilities for sales of development properties have decreased as the construction of the property held for sale (Note 12) had been completed during the financial year.

(i) Revenue recognised in relation to contract liabilities

	Group	
	2018 \$'000	2017 \$'000
<i>Revenue recognised in current period that was included in the contract liability balance at the beginning of the period</i>		
– Construction of buildings	46,765	40,398
– Sale of development properties	70,439	–

(ii) Remaining performance obligations

	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Aggregate amount of the transaction price allocated to contracts that are remaining performance obligations as at 31 December	205,894	*	*

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For the Financial Year Ended 31 December 2018

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities (continued)

(ii) Remaining performance obligations (continued)

* As permitted under the transitional provisions in the SFRS(I) 15, the transaction price allocated to remaining performance obligations as of 31 December 2017 and 1 January 2017 is not disclosed.

Management expects that 59% of the transaction price allocated to the unsatisfied performance obligations as of 31 December 2018 may be recognised as revenue during the next reporting period (\$120,677,000). The remaining 41% (\$85,217,000) may be recognised in the financial year ended 31 December 2020. The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

5. Expenses by nature

	Group	
	2018 \$'000	2017 \$'000
Purchase of inventories and construction materials	52,374	80,671
Cost of development property sold (Note 12)	112,480	–
Direct expense on operating leases	17,127	16,615
Depreciation of property, plant and equipment (Note 17)	1,668	2,370
Depreciation of investment properties (Note 18)	16,266	13,646
Distribution and marketing expenses	2,615	1,985
Employee compensation (Note 8)	24,287	21,207
Legal and professional fee	4,326	1,212
Lease expenses	3,557	1,102
Office expenses	2,076	1,622
Total cost of sales, distribution and marketing and administrative expenses	236,776	140,430

6. Other income

	Group	
	2018 \$'000	2017 \$'000
Ancillary fees collected - workers' dormitory and commercial property	1,019	1,416
Dividend income	479	1,378
Government grants	732	526
Rental income	1,586	104
Others	243	211
	4,059	3,635

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

7. Other gains and losses

	Group	
	2018 \$'000	2017 \$'000
Fair value (losses)/gains		
– Financial assets at FVPL	(236)	834
– Derivative financial instrument	(2,054)	293
Gain on disposal of asset held for sale	6,451	–
Loss on disposal of financial assets at FVPL	(729)	(104)
Gain/(loss) on disposal of plant and equipment	37	(9)
Property, plant and equipment written off	(362)	–
Reversal of/(allowance for) impairment loss on development property	33	(33)
Currency exchange (losses)/gains	(15,655)	167
	(12,515)	1,148

8. Employee compensation

	Group	
	2018 \$'000	2017 \$'000
Short-term employee compensation	23,595	20,346
Employer's contributions to defined contribution plan	692	861
	24,287	21,207

9. Finance expense

	Group	
	2018 \$'000	2017 \$'000
Interest expense		
– Bank borrowings	7,421	3,458
– Related parties' loans	2,441	296
Less: Amounts capitalised in		
– Development property	(188)	(2,128)
– Investment properties	(2,843)	(255)
Amount recognised in profit or loss	6,831	1,371

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

10. Income tax

(a) Income tax expense

	Group	
	2018 \$'000	2017 \$'000
Tax expense attributable to profit is made up of:		
– Profit for the financial year		
Current income tax		
– Singapore	15,851	3,825
– Foreign	840	1
	16,691	3,826
Current withholding tax		
– Singapore	188	564
– Foreign	723	–
	911	564
Deferred income tax (Note 21)	(1,521)	2,704
– Over provision in prior financial years:		
Current income tax	(185)	(223)
Tax	15,896	6,871

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2018 \$'000	2017 \$'000
Profit before tax	49,087	25,644
Less: Share of profit of associated company (Note 20)	(4,292)	(710)
Profit before tax and share of profit of associated company	44,795	24,934
Income tax expense at 17% (2017: 17%)	7,615	4,239
Different tax rates in other countries	(22)	(283)
Withholding tax	911	564
Foreign tax credit	(187)	(564)
Income not subject to tax	(326)	(454)
Expenses not deductible for tax purposes	6,825	2,466
Tax incentives	(146)	(123)
Over provision of tax in prior financial year	(185)	(223)
Deferred tax unrecognised	900	589
Utilisation of previously recognised tax losses	511	660
Tax charge	15,896	6,871

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

10. Income tax (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Beginning of financial year	3,819	33,685	–	52
Income tax paid	(4,555)	(33,472)	–	(7)
Tax expense	16,691	3,826	–	–
Over provision in prior financial years	(185)	(223)	–	(45)
Currency translation differences	(76)	3	–	–
End of financial year	15,694	3,819	–	–

11. Earnings per share

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

	2018	2017
Net profit attributable to equity holders of the Company (\$'000)	25,012	18,671
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	919,245	919,245
Basic earnings per share (cent per share)	2.72	2.03

12. Development properties

	Group		1 January
	31 December	2017	2017
	2018 \$'000	2017 \$'000	2017 \$'000
Property held for sale	85,985	–	–
Properties held for sale in the process of development	45,278	261,147	217,345
	131,263	261,147	217,345

The cost of development property held for sale recognised as an expense and included in “cost of sales” is \$112,480,000 (2017: Nil).

The development property held for sale is mortgaged for credit facilities granted to the Group (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

13. Trade and other receivables

	Group			Company		
	31 December		1 January	31 December		1 January
	2018	2017	2017	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Current</i>						
<u>Trade receivables:</u>						
– Non-related parties	28,039	21,362	52,490	–	–	–
– Related parties	2,305	9,417	25	–	–	–
– Subsidiaries	–	–	–	7,016	2,376	1,519
Contract assets (Note 4(b))	24,184	18,339	17,001	–	–	–
Less: Loss allowance (Note 29(b))	(424)	(216)	–	–	–	–
	54,104	48,902	69,516	7,016	2,376	1,519
<u>Other receivables:</u>						
– Non-related parties	8,088	4,571	5,861	77	112	183
– Related parties	5	5	5	–	1	–
– Loan from subsidiaries	–	–	–	15,531	13,664	21,518
Deposits to secure services	2,693	3,153	2,563	–	9	–
Deposits to purchase property (Note 28)	4,997	3,657	–	–	–	–
Prepayments	1,616	1,522	1,607	131	121	39
	17,399	12,908	10,036	15,740	13,907	21,740
	71,503	61,810	79,552	22,756	16,283	23,259
<i>Non-Current</i>						
<u>Other receivables:</u>						
– Non-related party	9,453	–	–	–	–	–
<u>Loan receivables:</u>						
– Subsidiaries	–	–	–	251,537	231,858	151,608
– Associated company	30,323	29,841	25,532	–	–	–
	39,776	29,841	25,532	251,537	231,858	151,608
Total trade and other receivables	111,279	91,651	105,084	274,293	248,141	174,867

Receivables from related parties and loan from subsidiaries are unsecured, interest free and repayable upon demand.

The non-current other receivables are unsecured and will be repayable in full in April 2022. The fair value of the non-current other receivables approximates its carrying value. The fair value of non-current other receivables is computed based on cash flow discounted at market borrowing rate of 3.56% per annum. The fair value is within level 2 of the fair value hierarchy.

Loan receivables from associated company is unsecured, interest free and repayable in December 2020. Interest are imputed at 1.72% per annum based on indicative land loan drawdown interest rate for cash flow discounting purpose.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

14. Financial assets, at FVPL

	Group and Company		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Beginning of financial year	46,240	48,704	19,050
Additions	–	2,798	39,638
Fair value (losses)/gains (Note 7)	(236)	834	4
Disposals	(39,698)	(6,096)	(9,885)
Currency exchange adjustments	–	–	(103)
End of financial year	6,306	46,240	48,704

The information gives a summary of the significant geographical concentrations within the investment portfolio including Level 1 (Note 29(e)) securities:

	Group and Company		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
A1. Quoted bonds in corporations with variable rates from 3.15% to 5.0% per annum and maturing on 24 September 2019 to 7 March 2024			
<u>Based on Country</u>			
Australia	1	247	–
Germany	505	524	–
Hong Kong	260	268	249
Indonesia	–	–	247
United States of America	–	–	254
Singapore	5,540	7,929	11,209
	6,306	8,968	11,959

A2. Quoted mutual funds in corporations

Based on Country

Europe	–	14,918	14,828
United States of America	–	12,783	12,466
Singapore	–	9,571	9,451
	–	37,272	36,745
	6,306	46,240	48,704

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

15. Cash and cash equivalents

	Group			Company		
	31 December		1 January	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2017 \$'000
Cash at bank and on hands	96,141	139,992	46,823	41,512	16,164	9,794
Short term bank deposit	66,215	11,023	104,051	2,008	3,000	70,208
	162,356	151,015	150,874	43,520	19,164	80,002

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

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Cash and bank balances (as above)	162,356	151,015	150,874
Less: Bank deposits pledged	–	(10,140)	(700)
Cash and cash equivalents per consolidated statement of cashflows	162,356	140,875	150,174

Bank deposit pledged is the amount held under project accounts which is subject to restrictions imposed by the insurer where performance bonds are acquired for the projects and for credit facilities.

16. Assets classified as held for sale

	Group	
	2018 \$'000	2017 \$'000
Beginning of financial year	72,112	70,792
Additions	–	1,590
Currency translations differences	–	(270)
Disposal	(72,112)	–
End of financial year	–	72,112

The details of the Group's asset classified as held for sale is as follows:

Name of property	Location	Type of development	Site area (sqm)	Gross floor area held-for-sale (sqm)	Attributable interest
Land fronting Ann Street and Turbot Street	62- 80 Ann Street, and 71-97 Turbot Street, Brisbane, Australia	Land and office building	5,479	5,479	100%

The Group recorded \$6,451,000 gain on disposal of asset held for sale (Note 7) following the completion of the disposal of assets in July 2018.

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For the Financial Year Ended 31 December 2018

17. Property, plant and equipment

	Leasehold property	Freehold land	Container office and furniture	Renovation and air-conditioners	Equipment and machinery	Motor vehicles	Computers	Asset under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Group</i>									
2018									
<i>Cost</i>									
Beginning of financial year	6,485	15,453	3,186	1,180	17,280	997	2,067	-	46,648
Additions	-	-	29	64	80	130	289	4,189	4,781
Disposals/written off/adjustments	-	-	10	-	(13,852)	(318)	(10)	-	(14,170)
End of financial year	6,485	15,453	3,225	1,244	3,508	809	2,346	4,189	37,259
<i>Accumulated depreciation</i>									
Beginning of financial year	2,494	-	2,179	991	16,691	626	1,970	-	24,951
Depreciation charge	499	-	565	138	169	55	242	-	1,668
Disposals/written off/adjustments	-	-	3	-	(13,490)	(264)	(10)	-	(13,761)
End of financial year	2,993	-	2,747	1,129	3,370	417	2,202	-	12,858
<i>Net book value</i>									
End of financial year	3,492	15,453	478	115	138	392	144	4,189	24,401
2017									
<i>Cost</i>									
Beginning of financial year	6,485	-	3,179	1,180	17,227	979	1,949	-	30,999
Additions	-	-	22	-	53	18	163	-	256
Reclassified from development property	-	15,453	-	-	-	-	-	-	15,453
Disposals/written off	-	-	(15)	-	-	-	(45)	-	(60)
End of financial year	6,485	15,453	3,186	1,180	17,280	997	2,067	-	46,648
<i>Accumulated depreciation</i>									
Beginning of financial year	1,995	-	1,601	832	15,704	557	1,940	-	22,629
Depreciation charge	499	-	581	159	987	69	75	-	2,370
Disposals/written off	-	-	(3)	-	-	-	(45)	-	(48)
End of financial year	2,494	-	2,179	991	16,691	626	1,970	-	24,951
<i>Net book value</i>									
End of financial year	3,991	15,453	1,007	189	589	371	97	-	21,697

The leasehold property and freehold land are mortgaged for credit facilities granted to the Group (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

17. Property, plant and equipment (continued)

	Furniture \$'000	Computer \$'000	Total \$'000
<i>Company</i>			
2018			
<i>Cost</i>			
Beginning of financial year	5	2	7
Additions	–	3	3
End of financial year	5	5	10
<i>Accumulated depreciation</i>			
Beginning of financial year	–	2	2
Depreciation charge	1	3	4
End of financial year	1	5	6
<i>Net book value</i>			
End of financial year	4	–	4
2017			
<i>Cost</i>			
Beginning of financial year	–	2	2
Additions	5	–	5
End of financial year	5	2	7
<i>Accumulated depreciation</i>			
Beginning of financial year	–	2	2
Depreciation charge	–	–	–
End of financial year	–	2	2
<i>Net book value</i>			
End of financial year	5	–	5

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

18. Investment properties

	Completed investment properties \$'000	Investment properties under construction \$'000	Total \$'000
<i>Group</i>			
2018			
<i>Cost</i>			
Beginning of financial year	69,621	173,755	243,376
Additions	70	148,964	149,034
Transferred to completed investment properties	158,677	(158,677)	–
Adjustments	(1,151)	–	(1,151)
Currency translations differences	(12,355)	(1,216)	(13,571)
End of financial year	214,862	162,826	377,688
<i>Accumulated depreciation</i>			
Beginning of financial year	44,656	–	44,656
Depreciation charge	16,266	–	16,266
End of financial year	60,922	–	60,922
<i>Net book value</i>			
End of financial year	208,458	108,308	316,766
2017			
<i>Cost</i>			
Beginning of financial year	140,866	55,062	195,928
Additions	2,442	118,913	121,355
Adjustments	(1,304)	–	(1,304)
Reclassified as asset held-for-sale	(72,112)	–	(72,112)
Currency translations differences	(271)	(220)	(491)
End of financial year	69,621	173,755	243,376
<i>Accumulated depreciation</i>			
Beginning of financial year	31,010	–	31,010
Depreciation charge	13,646	–	13,646
End of financial year	44,656	–	44,656
<i>Net book value</i>			
End of financial year	24,965	173,755	198,720

Investment properties are leased to non-related parties under operating leases (Note 28c).

Investment properties related to development of PBSA are mortgaged to secure bank loans (Note 24).

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For the Financial Year Ended 31 December 2018

18. Investment properties (continued)

At the balance sheet date, the details of the Group's investment properties are as follows:

Property name	Tenure	Location	Description/ existing use	31 December		1 January
				2018	2017	2017
				Carrying value (\$'000)		
<u>Completed investment properties:</u>						
Tuas View Dormitory ^(a)	Leasehold 6 years	70 Tuas South Ave 1, Singapore	Workers' dormitory	11,528	24,965	39,064
Unilodge Park Central ^(b)	Freehold	8 Gillingham Street, Woolloongabba, Brisbane, Australia	PBSA	196,930	158,677	55,062
Land fronting Ann Street and Turbot Street	Freehold	62-80 Ann Street, and 71-97 Turbot Street, Brisbane, Australia	Land and office building	–	–	70,792
<u>Investment properties under development:</u>						
Unilodge City Gardens ^(c)	Freehold	89-109 Gray Street, Adelaide, Australia	PBSA	61,291	15,078	–
Abeckett Street ^(d)	Freehold	183-189 A'Beckett Street, Melbourne, Australia	PBSA	37,623	–	–
Waymouth Street ^(e)	Freehold	124 Waymouth Street, Adelaide, Australia	PBSA	9,394	–	–

For (a), (b) and (c) the fair value was based on discounted cash flow method. A description of the valuation techniques and the significant other unobservable inputs used in the fair value disclosure is as follows:

Description	Fair value at 31 December 2018	Valuation technique	Unobservable inputs
Tuas View Dormitory ^(a)	\$34,072,000 (31 December 2017: \$38,739,000; 1 January 2017: \$56,370,000)	Discounted cashflow	Pre-tax discount rate Estimated rental and occupancy rate
Unilodge Park Central ^(b)	\$208,700,000 (31 December 2017: \$158,677,000; 1 January 2017: \$55,062,000)	Discounted cashflow	Discount rate Terminal capitalisation rate Average rental (per bed per bi-weekly)
Unilodge City Gardens ^(c)	\$72,754,000 (31 December 2017: \$25,063,000; 1 January 2017: Nil)	Discounted cashflow	Discount rate Terminal capitalisation rate Average rental (per bed per bi-weekly)
Land fronting Ann Street and Turbot Street	Nil (31 December 2017: Nil; 1 January 2017: \$79,000,000)	Direct comparison	Pre-adjusted comparable sales price

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18. Investment properties (continued)

For (d) and (e), their fair value was based on the recent transacted prices as the freehold land were purchased in March and November 2018, respectively.

The fair value measurement for investment properties are categorised within the fair value hierarchy at level 3.

The following amounts are recognised in profit or loss:

	Group	
	2018	2017
	\$'000	\$'000
Rental income	41,802	41,193
Direct operating expenses arising from investment properties that generated rental income	(33,908)	(30,778)

19. Investment in subsidiaries

	Company	
	2018	2017
	\$'000	\$'000
Equity at cost		
Beginning of financial year	29,031	67,821
Additions	–	632
Disposals	–	(1,534)
Fair value adjustment on interest free loan due from subsidiaries	24,950	(37,888)
End of financial year	53,981	29,031

The Group has the following subsidiaries as at 31 December 2018 and 2017 and 1 January 2017:

Name of subsidiaries	Principal activities	Country of business/ incorporation	Effective percentage of equity held by Group		
			31 December		1 January
			2018	2017	2017
			%	%	%

Held by the Company

Wee Hur Construction Pte. Ltd.	General building and civil engineering construction	Singapore	100	100	100
Wee Hur Development Pte. Ltd.	Investment holding	Singapore	100	100	100
Wee Hur Dormitory Pte. Ltd.	Investment holding	Singapore	100	100	100
Wee Hur International Pte. Ltd.	Investment holding	Singapore	100	100	100
Wee Hur Capital Pte. Ltd.	Fund Management	Singapore	100	100	–
Wee Hur PBSA Master Trust	Investment holding	Singapore	68	68	100

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19. Investment in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business/ incorporation	Effective percentage of equity held by Group		
			31 December		1 January
			2018	2017	2017
			%	%	%
<u>Held through Wee Hur Development Pte. Ltd.</u>					
Wee Hur (Woodlands) Pte. Ltd.	Property development	Singapore	100	100	100
Wee Hur (Paya Lebar) Pte. Ltd.	Property development	Singapore	100	100	100
Wee Hur (Kim Keat) Pte. Ltd.	Property development	Singapore	100	100	100
Wee Hur (Kaki Bukit) Pte. Ltd.	Property development	Singapore	60	60	60
Wee Hur (Punggol Central) Pte. Ltd.	Property development	Singapore	65	65	65
Wee Hur (Woodlands 12) Pte. Ltd.	Property development	Singapore	60	60	60
<u>Held through Wee Hur International Pte. Ltd.</u>					
Wee Hur Australia Pte. Ltd.	Investment holding	Singapore	100	100	100
<u>Held through Wee Hur (Australia) Pte. Ltd.</u>					
Wee Hur (Buranda 1) Pty Ltd ^{#a & #b}	Investment property	Australia	100	100	100
Wee Hur (Buranda 2) Pty Ltd ^{#a & #b}	Property development	Australia	100	100	100
Wee Hur (Buranda 3) Pty Ltd ^{#a & #b}	Property development	Australia	100	100	100
Wee Hur (Ann Street) Pty Ltd ^{#a & #b}	Investment property	Australia	100	100	100
<u>Held through Wee Hur PBSA Master Trust</u>					
Wee Hur PBSA (Australia) Pte. Ltd.	Investment holding	Singapore	100	100	100
WH PBSA Trust ^{#a & #b}	Investment holding	Australia	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

19. Investment in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business/ incorporation	Effective percentage of equity held by Group		
			31 December		1 January
			2018	2017	2017
			%	%	%
<u>Held through WH PBSA Trust</u>					
WH Buranda Trust ^{#a & #b}	Build and operate student accommodation	Australia	100	100	100
WH Gray Street Trust ^{#a & #b}	Build and operate student accommodation	Australia	100	100	–
WH Abeckett Trust ^{#a & #b}	Build and operate student accommodation	Australia	100	100	–
WH Gibbons Trust ^{#a & #b} (Incorporated on 21 May 2018)	Build and operate student accommodation	Australia	100	–	–
WH Waymouth Trust ^{#a} (Incorporated on 5 September 2018)	Build and operate student accommodation	Australia	100	–	–
<u>Held through Wee Hur Dormitory Pte. Ltd.</u>					
Active System Engineering Pte. Ltd.	Build and operate workers' dormitories	Singapore	60	60	60

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

^{#a:} Incorporated in Australia.

^{#b:} Audited by PricewaterhouseCoopers, Australia.

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For the Financial Year Ended 31 December 2018

19. Investment in subsidiaries (continued)

Subsidiaries with non-controlling interests

Summarised financial information of subsidiaries with material non-controlling interests

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

Summarised balance sheet

	Wee Hur (Punggol Central) Pte. Ltd.			Wee Hur (Kaki Bukit) Pte. Ltd.			Wee Hur (Woodlands 12) Pte. Ltd.		
	31 December		1 January	31 December		1 January	31 December		1 January
	2018	2017	2017	2018	2017	2017	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current									
Assets	3,034	13,216	62,634	1,477	3,447	3,429	129,773	242,053	162,975
Liabilities	(1,224)	(9,472)	(39,202)	(364)	(365)	(378)	(61,669)	(202,420)	(122,002)
Total current net assets	1,810	3,744	23,432	1,113	3,082	3,051	68,104	39,633	40,973
Non-current									
Assets	84	96	153	31	36	42	46	548	187
Liabilities	-	-	-	-	-	-	(40,000)	(40,000)	(39,589)
Total non-current net assets/(liabilities)	84	96	153	31	36	42	(39,954)	(39,452)	(39,402)
Net assets	1,894	3,840	23,585	1,144	3,118	3,093	28,150	181	1,571

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For the Financial Year Ended 31 December 2018

19. Investment in subsidiaries (continued)

Subsidiaries with non-controlling interests (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

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

Summarised balance sheet

	Active System Engineering Pte. Ltd.			Wee Hur PBSA Master Trust		
	31 December		1 January	31 December		1 January
	2018	2017	2017	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current						
Assets	9,682	14,285	9,385	48,457	42,147	–
Liabilities	(11,402)	(30,733)	(28,470)	(134,003)	(78,826)	(4)
Total current net liabilities	(1,720)	(16,448)	(19,085)	(85,546)	(36,679)	(4)
Non-current						
Assets	14,088	31,063	47,402	320,731	181,330	–
Liabilities	(29,179)	(33,714)	(49,462)	(212,666)	(144,705)	–
Total non-current net (liabilities)/assets	(15,091)	(2,651)	(2,060)	108,065	36,625	–
Net (liabilities)/assets	(16,811)	(19,099)	(21,145)	22,519	(54)	(4)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

19. Investment in subsidiaries (continued)

Subsidiaries with non-controlling interests (continued)

Summarised income statement

	Wee Hur (Punggol Central) Pte. Ltd.		Wee Hur (Kaki Bukit) Pte. Ltd.		Wee Hur (Woodlands 12) Pte. Ltd.		Active System Engineering Pte. Ltd.		Wee Hur PBSA Master Trust	
	For year ended 31 December		For year ended 31 December		For year ended 31 December		For year ended 31 December		For year ended 31 December	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Revenue	-	-	-	-	170,531	-	39,826	37,979	1,976	-
Profit/(loss) before income tax	65	302	31	31	33,654	(1,756)	7,121	4,639	(11,849)	(933)
Income tax (expense)/ benefit	(11)	(47)	(5)	(5)	(5,685)	366	(2,710)	(2,592)	(542)	-
Post-tax profit/ (loss)	54	255	26	26	27,969	(1,390)	4,411	2,047	(12,391)	(933)
Other comprehensive (loss)/income	-	-	-	-	-	-	-	-	(513)	1
Total comprehensive income/(loss)	54	255	26	26	27,969	(1,390)	4,411	2,047	(12,904)	(932)
Total comprehensive income/(loss) allocated to non- controlling interests	19	89	10	10	11,187	(556)	1,764	819	(4,801)	(260)
Dividends paid to non- controlling interests	700	7,000	800	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

19. Investment in subsidiaries (continued)

Subsidiaries with non-controlling interests (continued)

Summarised cash flows

	Wee Hur (Punggol Central) Pte. Ltd.		Wee Hur (Kaki Bukit) Pte. Ltd.		Wee Hur (Woodlands 12) Pte. Ltd.		Active System Engineering Pte. Ltd.		Wee Hur PBSA Master Trust	
	For year ended 31 December		For year ended 31 December		For year ended 31 December		For year ended 31 December		For year ended 31 December	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash (used in)/ provided by operating activities	(7,922)	10,495	1,991	198	80,584	(33,516)	14,860	24,140	(12,776)	7,965
Net cash provided by/(used in) investing activities	10,038	3,029	–	(200)	23	15	(52)	(848)	(157,562)	(182,700)
Net cash (used in)/ provided by financing activities	(2,000)	(20,000)	(2,000)	–	(81,355)	39,946	(18,030)	(18,330)	177,198	209,720

20. Investments in associated company

	Group		
	31 December		1 January
	2018	2017	2017
	\$'000	\$'000	\$'000
Beginning of financial year	3,920	2,995	1,200
Share of profit	4,292	710	–
Fair value adjustment on interest free loans	–	215	1,795
End of financial year	8,212	3,920	2,995

Set out below is the associated company of the Group as at 31 December 2018 and 2017 and 1 January 2017, which, in the opinion of the directors, are material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Principal activity	Country of business/ incorporation	Effective percentage of equity held by Group
Fernvale Green Pte. Ltd.	Property development	Singapore	30%

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

20. Investments in associated company (continued)

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

Summarised financial information for associated company:

Summarised balance sheet

	Fernvale Green Pte. Ltd.		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Current assets	300,624	341,301	296,171
Current liabilities	10,877	17,742	112
Non-current liabilities	262,200	310,503	286,076

Summarised statement of comprehensive income

	Fernvale Green Pte. Ltd. For the year ended 31 December	
	2018 \$'000	2017 \$'000
Revenue	68,465	15,592
Gross profit	19,678	3,960
Other income	454	46
Expenses		
– Sales and marketing	(2,590)	(1,107)
– Others	(70)	(73)
Profit	17,472	2,826
Income tax expense	(2,980)	(470)
Post-tax profit	14,492	2,356

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For the Financial Year Ended 31 December 2018

20. Investments in associated company (continued)

Reconciliation of summarised financial information

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

	Fernvale Green Pte. Ltd.		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Net Assets	27,547	13,055	9,983
Group's equity interest	30%	30%	30%
Group's share of net assets	8,212	3,920	2,995
Carrying value	8,212	3,920	2,995

21. Deferred income taxes

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

	Group			Company		
	31 December		1 January	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2017 \$'000
Deferred tax assets	7,053	6,617	6,818	123	178	143
Deferred tax liabilities	(2,567)	(3,428)	(950)	–	–	–
Net deferred tax assets	4,486	3,189	5,868	123	178	143

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For the Financial Year Ended 31 December 2018

21. Deferred income taxes (continued)

The movement in the net deferred income tax account is as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Beginning of financial year	(3,189)	(5,868)	(178)	(143)
Other adjustment	186	(30)	–	–
Currency translation differences	38	5	–	–
Tax (credited)/charge to				
– Profit or loss	(1,521)	2,704	55	(35)
End of financial year	(4,486)	(3,189)	(123)	(178)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax assets

	Provisions \$'000	Tax losses carry forward \$'000	Others \$'000	Total \$'000
<u>Group</u>				
2018				
Beginning of financial year	(6,065)	(935)	(361)	(7,361)
(Credited)/charged to:				
– Profit or loss	(1,049)	210	(67)	(906)
Currency translation differences	3	49	–	52
End of financial year	(7,111)	(676)	(428)	(8,215)
2017				
Beginning of financial year	(5,886)	(4,503)	(738)	(11,127)
(Credited)/charged to:				
– Profit or loss	(185)	3,568	408	3,791
Other adjustment	–	–	(30)	(30)
Currency translation differences	6	–	(1)	5
End of financial year	(6,065)	(935)	(361)	(7,361)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

21. Deferred income taxes (continued)

Deferred income tax liabilities

	Accelerated tax depreciation	Foreign income not remitted	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
2018				
Beginning of financial year	2,966	896	310	4,172
(Credited)/charged to:				
– Profit or loss	(1,179)	535	29	(615)
Other adjustment	–	–	186	186
Currency translation differences	–	–	(14)	(14)
End of financial year	1,787	1,431	511	3,729
2017				
Beginning of financial year	4,637	536	86	5,259
(Credited)/charged to:				
– Profit or loss	(1,671)	360	224	(1,087)
End of financial year	2,966	896	310	4,172

Deferred income tax assets

	Provisions	Tax losses carry forward	Others	Total
	\$'000	\$'000	\$'000	\$'000
<u>Company</u>				
2018				
Beginning of financial year	(14)	(161)	(3)	(178)
(Credited)/charged to:				
– Profit or loss	5	(106)	3	(98)
Other adjustment	–	153	–	153
End of financial year	(9)	(114)	–	(123)
2017				
Beginning of financial year	(9)	–	(134)	(143)
(Credited)/charged to:				
– Profit or loss	(5)	(161)	131	(35)
End of financial year	(14)	(161)	(3)	(178)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

22. Trade and other payables

	Group			Company		
	31 December		1 January	31 December		1 January
	2018	2017	2017	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Current</i>						
<u>Trade payables:</u>						
– Non-related parties	36,879	40,811	54,036	66	–	7
Accrued construction costs	30,993	26,752	25,158	–	–	–
Contract liabilities (Note 4(b))	1,657	117,412	67,786	–	–	–
	69,529	184,975	146,980	66	–	7
<u>Other payables:</u>						
– Non-related parties	2,519	1,346	1,454	1	390	60
– Subsidiaries	–	–	–	48,551	21,578	56,550
– Related parties	2,567	759	387	–	–	–
Accrued operating expense	8,941	6,994	6,506	4,684	3,328	3,150
Advance payment and deposits	7,987	8,054	7,695	–	–	–
	22,014	17,153	16,042	53,236	25,296	59,760
<u>Loan payables:</u>						
– Subsidiaries	–	–	–	4,764	5,988	5,988
	91,543	202,128	163,022	58,066	31,284	65,755
<i>Non-Current</i>						
<u>Loan payables:</u>						
– Related parties	95,464	76,647	27,195	–	–	–
– Subsidiaries	–	–	–	11,763	16,527	22,515
Provisions	2,000	2,500	2,500	–	–	–
	97,464	79,147	29,695	11,763	16,527	22,515
Total trade and other payables	189,007	281,275	192,717	69,829	47,811	88,270

Other payables to subsidiaries and related parties are unsecured, interest free and repayable on demand.

Included in the loan payables to related parties, \$26,506,000 (2017: \$27,656,000) are unsecured, interest free and with no fixed repayment. The fair values of these loans are not significantly different from their carrying value. The remaining \$68,958,000 (2017: \$48,991,000) is interest free loans from related parties' stapled proportion to the units subscribed by them in relation to a placement exercise that aligned with the Group's intent of building up a PBSA portfolio in Australia. The loan is repayable on 30 June 2022. Interests are imputed at 3.50% per annum repriced semi-annually for cash flow discounting purposes up to June 2022.

Loan payables to subsidiaries bear interest at 1.5% per annum over 1-month SIBOR. The current portion of \$4,764,000 is repayable in full in 2019 and the non-current portion of \$11,763,000 is repayable in full in 2031.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

23. Derivatives financial instruments

Forward currency exchange and interest rate swap contracts

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

	Group		Company	
	Contract notional amount \$'000	Fair value liability \$'000	Contract notional amount \$'000	Fair value liability \$'000
31 December 2018				
– Currency forwards	35,900	2,310	35,900	2,310
– Interest rate swaps	50,000	37	–	–
	85,900	2,347	35,900	2,310
31 December 2017				
– Currency forwards	29,300	365	29,300	365
1 January 2017				
– Currency forwards	21,840	658	21,840	658

Currency derivatives are utilised to hedge significant future transactions and cash flows. The entity is a party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the entity's principal markets. As a matter of policy, the entity does not enter into derivative contracts for speculative purposes. The fair value is within level 2 of the fair value hierarchy where the forward currency contracts is based on valuation made by financial institutions.

24. Borrowings

	Group		1 January
	31 December	2017	2017
	2018	2017	2017
	\$'000	\$'000	\$'000
<i>Current</i>			
Bank borrowings	168,258	199,064	100,936
<i>Non-Current</i>			
Bank borrowings	12,129	17,251	33,917
Total borrowings	180,387	216,315	134,853

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

24. Borrowings (continued)

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are follows:

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
6 months or less	104,222	74,974	12,507
6 – 12 months	64,036	124,090	88,429
1 – 5 years	3,852	8,047	23,770
Over 5 years	8,277	9,204	10,147
Total borrowings	180,387	216,315	134,853

The fair values of the borrowings approximate their carrying values.

The range of floating interest rates paid were as follows:

	Group		
	31 December		1 January
	2018 %	2017 %	2017 %
Bank borrowings	2.28% to 4.79%	1.60% to 3.40%	1.6% to 3.37%

Security granted

Total borrowings include secured liabilities of \$180,387,000 (2017: \$216,315,000, 1 January 2017: \$134,853,000). Bank borrowings of the Group are secured over certain investment properties (Note 18), development properties (Note 12), freehold land and leasehold property of the Group (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

25. Share capital and treasury share

	No. of ordinary shares		Amount		
	Issued share capital	Treasury shares	Share capital	Treasury shares	Total
			\$'000	\$'000	\$'000
<u>Group and Company</u>					
2018					
Beginning and end of financial year	919,245,086	16,671,000	130,307	(4,574)	125,733
2017					
Beginning and end of financial year	919,245,086	16,671,000	130,307	(4,574)	125,733

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

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

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

26. Dividends

	Group	
	2018 \$'000	2017 \$'000
Ordinary dividends		
Final dividend paid in respect of the previous financial year of 0.30 cent (2017: 0.30 cent) per share	2,758	2,758
Interim dividend paid in respect of current financial year of 0.40 cent (2017: 0.30 cent) per share	3,677	2,757
Total dividends paid in the year	6,435	5,515

In respect of the current financial year, the directors propose that a final dividend of 0.40 cent per ordinary share to be paid to shareholders after the forthcoming Annual General Meeting. These dividends are subject to approval by shareholders at the next Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividends for 2018 are payable in respect of all ordinary shares in issue up to the date the dividends become payable.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

27. Currency translation reserve

	Group	
	2018 \$'000	2017 \$'000
Beginning of financial year	1,343	2,175
Net currency translation differences of financial statements of foreign subsidiaries	(6,298)	(831)
Less: Non-controlling interests	513	(1)
End of financial year	(4,442)	1,343

28. Commitments

(a) Capital commitments

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

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Commitments to purchase property, plant and equipment ^{#a}	–	2,680	–
Commitment to purchase property ^{#b}	–	32,823	–
Commitment to purchase property ^{#c}	45,131	–	–

^{#a} The property cost is denominated in S\$ with an amount of \$2,680,000 at Tuas South Link 3 offered by Jurong Town Corporation to be constructed as warehouse for the Group's occupation. The acquisition was completed during the financial year.

^{#b} The property cost is denominated in A\$ with an amount of \$35,000,000 at A'Beckett Street, Melbourne, Australia and 10% deposit (Note 13) was placed in prior year. The acquisition was completed during the financial year.

^{#c} The property cost is denominated in A\$ with an amount of \$52,000,000 at Gibbons Street, Sydney, Australia and 10% deposit (Note 13) was placed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

28. Commitments (continued)

(b) Operating lease commitments – where the Group is a lessee

The Group leases land and warehouse from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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		1 January 2017 \$'000
	31 December 2018 \$'000	2017 \$'000	
Not later than one year	3,717	4,471	4,790
Between one and five years	466	4,084	8,979
Later than five years	233	363	484

(c) Operating lease commitments – where the Group is a lessor

The Group leases out office space, commercial spaces, workers' dormitories and PBSA under non-cancellable operating leases. Leases are negotiated for initial terms of two weeks to ten years with fixed rental rates.

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

	Group		1 January 2017 \$'000
	31 December 2018 \$'000	2017 \$'000	
Not later than one year	25,890	30,190	27,556
Between one and five years	3,257	3,139	1,129
Later than five years	610	–	–

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For the Financial Year Ended 31 December 2018

29. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by management in accordance with the policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The management measures actual exposures against the limits set and prepares monthly reports for review by the directors.

(a) Market risk

(i) *Currency risk*

The Group operates in Asia with dominant operations in Singapore and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises when transactions are denominated in foreign currencies other than functional currency such as the Australian Dollar ("AUD"). To manage the currency risk, the Group enters into currency forwards with the banks.

The risk is measured through a forecast of highly probable AUD expenditure and tracking of firm commitments in AUD. The objective of entering into currency forwards with the banks is to minimise the volatility of the Group's currency cost of highly probable transactions and firm commitments.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to management is as follows:

	AUD \$'000
<u>Group</u>	
At 31 December 2018	
<i>Financial assets:</i>	
Cash and cash equivalents	112,056
Trade and other receivables	17,476
Intra-group receivables	200,326
	<u>329,858</u>
<i>Financial liabilities:</i>	
Trade and other payables	(9,518)
Borrowings	(124,990)
Intra-group payables	(53,128)
	<u>(187,636)</u>
Net financial assets	<u>142,222</u>
At 31 December 2017	
<i>Financial assets:</i>	
Cash and cash equivalents	41,918
Trade and other receivables	10,089
Intra-group receivables	175,695
	<u>227,702</u>
<i>Financial liabilities:</i>	
Trade and other payables	(10,787)
Borrowings	(62,351)
Intra-group payables	(201,301)
	<u>(274,439)</u>
Net financial liabilities	<u>(46,737)</u>
At 1 January 2017	
<i>Financial assets:</i>	
Cash and cash equivalents	17,913
Trade and other receivables	1,466
Intra-group receivables	102,886
	<u>122,265</u>
<i>Financial liabilities:</i>	
Trade and other payables	(4,475)
Intra-group payables	(102,886)
	<u>(107,361)</u>
Net financial assets	<u>14,904</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the AUD change against the SGD by 10% (31 December 2017: 10%; 1 January 2017: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset (excluding equity instruments) that are exposed to currency risk will be as follows:

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
AUD against SGD			
– Strengthened	11,804	(3,879)	1,237
– Weakened	(11,804)	3,879	(1,237)

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

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

(ii) Equity price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets at FVPL. The fair values of these assets and sensitivity analysis are disclosed in Note 14. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If prices for equity securities had changed by 10% (31 December 2017: 10%; 1 January 2017: 10%) with all other variables including tax rate being held constant, the effects on profit after tax would have been:

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Equity securities			
– Increased by	631	4,624	4,870
– Decreased by	(631)	(4,624)	(4,870)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's policy is to maintain 80% of its borrowings in fixed rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from non-current borrowings at variable rates. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 1% (31 December 2017: 1%; 1 January 2017: 1%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by \$169,000 (31 December 2017: \$232,000; 1 January 2017: \$279,000) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(b) Credit risk (continued)

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

	Group		
	31 December		1 January 2017 \$'000
	2018	2017	
	\$'000	\$'000	
Top 1 customer	5,482	13,797	10,133
Top 2 customer	1,915	6,625	8,484
Top 3 customer	1,757	5,527	1,571

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company		
	31 December		1 January
	2018	2017	2017
	\$'000	\$'000	\$'000
Corporate guarantees provided to banks on:			
– Subsidiaries' loan	123,400	143,857	97,108
– Associated company's loan	47,301	63,169	60,291
	170,701	207,026	157,399

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(b) Credit risk (continued)

The movements in credit loss allowance are as follows:

	Trade receivables ^(a) \$'000	Contract assets ^(a) \$'000	Total \$'000
Group			
Balance at 1 January 2018 under SFRS	216	–	216
Application of SFRS(I) 9 (Note 2.2C)	–	–	–
Balance at 1 January 2018 under SFRS(I) 9	216	–	216
Loss allowance recognised in profit or loss during the year on:			
– Assets acquired/originated	–	–	–
– Reversal of unutilised amounts	–	–	–
– Changes in credit risk	424	–	424
Receivables written off as uncollectible	(216)	–	(216)
Balance at 31 December 2018	424	–	424

^(a) Loss allowance measured at 12-month ECL

^(b) Loss allowance measured at lifetime ECL

Cash and cash equivalents and trade receivables relating to revenue generated from construction of buildings and sale of development properties, loan to associated company and other receivables are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusted for the latest developments and forward looking macroeconomics factors relevant to the counterparty.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when it is deemed uncollectible. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(ii) Other financial assets at amortised cost

Category of internal credit rating	Performing	Under-performing	Non-performing	Write-off
Definition of category	Issuers have a low risk of default and a strong capacity to meet contractual cash flows.	Issuers for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 30 days past due	Interest and/or principal payments are 90 days past due	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery
Basis of recognition of expected credit losses	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Asset is written off

The loan receivables from subsidiaries of \$267,068,000 (Note 13) are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(b) Credit risk (continued)

Previous accounting policy for impairment of trade receivables

In 2017, the impairment of trade receivables was assessed based on an on-going credit evaluation performed on the financial condition of the customers and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade and other receivables' customers is about 7 to 35 days (2016: 7 to 35 days). But some customers take a longer period to settle the amounts.

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

	Group	
	31 December 2017 \$'000	1 January 2017 \$'000
Trade receivables past due but not impaired:		
Past due over 30 days	4,003	2,327
Past due over 31 – 60 days	107	1,440
Past due over 61 – 90 days	2,118	918
	6,228	4,685
Less: Allowance for impairment	(216)	–
Net carrying amount	6,012	4,685

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

	Group	
	31 December 2017 \$'000	1 January 2017 \$'000
Past due over 90 days	216	–
Less: Allowance for impairment	(216)	–
	–	–
Beginning of financial year	–	–
Allowance made	216	–
End of financial year	216	–

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 15.

Management monitors rolling forecasts of the liquidity reserve of the Group and the Company on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	1 – 5 years \$'000	More than 5 years \$'000	Total \$'000
<u>Group</u>				
At 31 December 2018				
Trade and other payables	91,543	97,464	–	189,007
Borrowings (includes interest)	173,190	4,289	10,098	187,577
At 31 December 2017				
Trade and other payables	202,128	79,147	–	281,275
Borrowings (includes interest)	202,520	8,475	11,049	222,044
At 1 January 2017				
Trade and other payables	163,022	29,695	–	192,717
Borrowings (includes interest)	102,665	24,694	11,745	139,104
<u>Company</u>				
At 31 December 2018				
Trade and other payables	58,066	11,763	–	68,829
At 31 December 2017				
Trade and other payables	31,284	16,527	–	47,811
At 1 January 2017				
Trade and other payables	65,755	22,515	–	88,270

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under the terms of its major borrowing facilities to maintain a gearing ratio of not exceeding 50% (31 December 2017: 50%, 1 January 2017: 50%). The Group's and the Company's strategies, which were unchanged from 2017, are to maintain gearing ratios within 34% to 50% respectively.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		
	31 December		1 January
	2018 \$'000	2017 \$'000	2017 \$'000
Net debt	207,038	346,575	176,696
Total equity	377,634	347,917	342,245
Total capital	584,672	694,492	518,941
Gearing ratio	35%	50%	34%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2017 and 2018.

(e) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(e) Fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<u>Group</u>				
31 December 2018				
<i>Assets</i>				
Financial assets, at FVPL	6,306	–	–	6,306
<i>Liabilities</i>				
Derivative financial instruments	–	2,347	–	2,347
31 December 2017				
<i>Assets</i>				
Financial assets, at FVPL	46,240	–	–	46,240
<i>Liabilities</i>				
Derivative financial instruments	–	365	–	365
1 January 2017				
<i>Assets</i>				
Financial assets, at FVPL	48,704	–	–	48,704
<i>Liabilities</i>				
Derivative financial instruments	–	658	–	658

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(e) Fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<u>Company</u>				
31 December 2018				
<i>Assets</i>				
Financial assets, at FVPL	6,306	–	–	6,306
<i>Liabilities</i>				
Derivative financial instruments	–	2,310	–	2,310
31 December 2017				
<i>Assets</i>				
Financial assets, at FVPL	46,240	–	–	46,240
<i>Liabilities</i>				
Derivative financial instruments	–	365	–	365
1 January 2017				
<i>Assets</i>				
Financial assets, at FVPL	48,704	–	–	48,704
<i>Liabilities</i>				
Derivative financial instruments	–	658	–	658

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between Levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

29. Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 13 to 15 and Note 22 to Note 24 to the financial statements, except for the following:

	Group	Company
	\$'000	\$'000
31 December 2018		
Financial assets, at FVPL	6,306	6,306
Financial liabilities, at FVPL	2,347	2,310
Financial assets, at amortised cost	272,019	317,682
Financial liabilities, at amortised cost	369,394	69,829
31 December 2017		
Financial assets, at FVPL	46,240	46,240
Financial liabilities, at FVPL	365	365
Financial assets, at amortised cost	241,144	267,184
Financial liabilities, at amortised cost	497,590	47,811
1 January 2017		
Financial assets, at FVPL	48,704	48,704
Financial liabilities, at FVPL	658	658
Financial assets, at amortised cost	254,351	254,830
Financial liabilities, at amortised cost	327,570	88,270

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

30. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of services

	Group	
	31 December 2018 \$'000	31 December 2017 \$'000
Sales of services to		
– associated company	21,149	15,119
– other related parties	18,596	19,642
Purchases of services from		
– other related parties	(11,901)	(11,082)

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2018, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Note 13 and 22 respectively.

(b) Key management personnel compensation

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

	Group	
	2018 \$'000	2017 \$'000
Salaries and other short-term employee benefits	7,883	6,007
Employer's contributions to defined contribution plan	170	167
	8,053	6,174

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

	Company	
	2018 \$'000	2017 \$'000
Remuneration of directors of the Company	5,123	3,539
Fees to directors of the Company	180	180
	5,303	3,719

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information

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

- (a) The building construction segment is in the business of constructing residential and commercial properties.
- (b) The workers' dormitory segment is in the business of building and operating of foreign workers' dormitories and leasing of office and commercial properties.
- (c) The property development segment is in the business of developing and sale of residential and industrial properties.
- (d) The corporate segment is involved in the Company's corporate services.
- (e) The PBSA segment is in the business of building and operating student accommodation for local and foreign students.
- (f) The fund management segment is in the business of fund management services.

Sales between segments are carried out at market terms. The revenue from external parties reported to the management is measured in a manner consistent with that in the statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information (continued)

The following is an analysis of the Group's reportable segments for the financial year ended 31 December 2018:

Operating segments	Building construction	Workers' Dormitory	Property Development	Corporate	PBSA	Fund Management	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss and reconciliation							
Total segment sales	113,388	40,006	171,605	7,516	1,976	5,862	340,353
Inter-segment sales	(32,051)	(180)	(1,050)	(7,516)	–	(5,862)	(46,659)
Revenue to external party	81,337	39,826	170,555	–	1,976	–	293,694
Segment result	10,538	10,053	49,430	(23,539)	(3,317)	(1,578)	41,587
Interest income	675	38	1,548	608	700	19	3,588
Finance expense	(165)	(112)	(2,070)	–	(4,484)	–	(6,831)
Gain on disposal of asset held for sale	–	–	6,451	–	–	–	6,451
Share of profit of associated company	–	–	4,292	–	–	–	4,292
Profit/(loss) before tax	11,048	9,979	59,651	(22,931)	(7,101)	(1,559)	49,087
Income tax (expense)/benefit	(4,600)	(3,092)	(7,178)	98	(550)	(574)	(15,896)
Profit/(loss) after tax	6,448	6,887	52,473	(22,833)	(7,651)	(2,133)	33,191
Segment results includes:							
Depreciation expense	(1,056)	(14,313)	(1)	(4)	(2,552)	(8)	(17,934)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information (continued)

The following is an analysis of the Group's reportable segments for the financial year ended 31 December 2018 (continued):

Operating segment	Building construction \$'000	Workers' Dormitory \$'000	Property Development \$'000	Corporate \$'000	PBSA \$'000	Fund Management \$'000	Consolidated \$'000
<u>Assets and reconciliation</u>							
Segment assets	64,702	21,740	275,448	50,096	353,224	2,426	767,636
Segment assets includes:							
Investment in an associated company	-	-	8,212	-	-	-	8,212
<u>Liabilities and reconciliation</u>							
Segment liabilities	73,209	24,672	83,705	6,994	200,332	1,090	390,002
<u>Other material items and reconciliation</u>							
Additions to:							
Property, plant and equipment	4,643	14	8	3	102	11	4,781
Investment properties	-	70	-	-	148,928	-	148,998

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information (continued)

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

Operating segment	Building construction	Workers' Dormitory	Property Development	Corporate	PBSA	Fund Management	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss and reconciliation							
Total segment sales	168,532	38,159	4,980	5,089	-	3,913	220,673
Inter-segment sales	(49,396)	(251)	(1,672)	(5,089)	-	(3,913)	(60,321)
Revenue to external party	119,136	37,908	3,308	-	-	-	160,352
Segment result	21,697	8,636	249	(4,586)	(695)	(812)	24,489
Interest income	514	15	632	628	27	-	1,816
Finance expense	(228)	(860)	(283)	-	-	-	(1,371)
Share of profit of associated company	-	-	710	-	-	-	710
Profit/(loss) before tax	21,983	7,791	1,308	(3,958)	(668)	(812)	25,644
Income tax (expense)/benefit	(3,337)	(2,787)	(394)	79	-	(432)	(6,871)
Profit/(loss) after tax	18,646	5,004	914	(3,879)	(668)	(1,244)	18,773
Segment results includes:							
Depreciation expense	(1,778)	(14,236)	(2)	-	-	-	(16,016)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information (continued)

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

Operating segment	Building construction	Workers' Dormitory	Property Development	Corporate	PBSA	Fund Management	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets and reconciliation</u>							
Segment assets	116,893	43,648	406,622	65,830	219,995	131	853,119
Segment assets includes:							
Investment in an associated company	–	–	3,920	–	–	–	3,920
<u>Liabilities and reconciliation</u>							
Segment liabilities	116,125	38,950	223,626	4,083	121,615	803	505,202
<u>Other material items and reconciliation</u>							
Additions to:							
Property, plant and equipment	237	11	2	6	–	–	256
Investment properties	–	2,442	–	–	118,952	–	121,394

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

31. Segment information (continued)

(a) Revenue from major products and services

Revenues from external customers are derived mainly from the sale of commercial properties, construction of buildings and leasing of dormitories to foreign workers and PBSA to students. The breakdown of the Group's revenue by products and services is provided under Note 4(a).

(b) Geographical information

The Group's six business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the construction of buildings, leasing of workers' dormitory, property developer and investment holding; and
- Australia – the operations in this area are principally property development and PBSA.

	Non-current assets	
	31 December 2018 \$'000	31 December 2017 \$'000
Singapore	74,374	81,843
Australia	314,781	172,374
	389,155	254,217

The Group's revenue by geographical areas is disclosed under Note 4(a).

32. Events occurring after balance sheet date

- (a) On 21 January 2019, the Group has set up a property trust known as WH Regent Trust.

On 28 February 2019, the Group's subsidiary, WH Gibbons Trust through its trustee, The Trust Company (Australia) Limited, has exercised the Call Option in respect of the acquisition of a property at Gibbons Street, Sydney, Australia (Note 28(a)).

Both the proposed acquisition and setting up of a new property trust, is in line with the Group strategy to venture into Australian-focused PBSA with the aim of collecting passive recurring rental income.

- (b) On 1 March 2019, the Group through its wholly-owned subsidiary, Wee Hur Dormitory Pte. Ltd. has acquired 75 ordinary shares representing 75% equity interest in the capital of Active System Development Pte. Ltd. ("ASD"), a company incorporated in Singapore, for a total consideration of \$75. The remaining of 25% equity interest in ASD is owned by TSHL Investment Pte. Ltd., an independent and unrelated party. The principal activity of ASD is for the purposes of carrying out the business of building and operating dormitory for foreign workers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2018

33. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

(a) *SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)*

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors will not change significantly.

SFRS(I) 16 will take effect from financial years beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 December 2018, the Group has non-cancellable operating lease commitment of \$4,416,000 (Note 28b) that may result in the recognition of an asset and a liability for future payments. The Group is currently finalising the transition adjustments arising from the adoption of SFRS(I) 16.

(b) *SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)*

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 January 2019.

34. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Wee Hur Holdings Ltd on 4 April 2019.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2019

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	299	10.32	4,894	0.00
100 - 1,000	96	3.31	51,750	0.01
1,001 - 10,000	645	22.26	4,448,983	0.48
10,001 - 1,000,000	1,803	62.22	149,088,096	16.22
1,000,001 and above	55	1.90	765,651,363	83.29
Total	2,898	100.00	919,245,086	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	%
1	GSC Holdings Pte. Ltd.	349,159,000	37.98
2	Citibank Nominees Singapore Pte Ltd	77,876,972	8.47
3	Raffles Nominees (Pte) Limited	38,474,657	4.19
4	Goh Yeu Toh	36,110,557	3.93
5	DBS Nominees (Private) Limited	31,372,985	3.41
6	Sua Nam Heng	30,417,257	3.31
7	Goh Yeow Lian	17,963,000	1.95
8	Cheng Kiang Huat	16,000,257	1.74
9	UOB Kay Hian Private Limited	10,104,203	1.10
10	Kuik Ah Han	10,050,000	1.09
11	United Overseas Bank Nominees Pte Ltd	9,646,021	1.05
12	Hong Leong Finance Nominees Pte Ltd	9,480,000	1.03
13	Maybank Kim Eng Securities Pte. Ltd.	9,464,762	1.03
14	OCBC Securities Private Limited	6,985,782	0.76
15	Goh Yew Gee	6,490,120	0.71
16	Goh Yew Hwa	6,404,200	0.70
17	Low Woo Swee@Loh Swee Teck	6,209,000	0.68
18	Ong Gim Loo	6,000,000	0.65
19	CGS - CIMB Securities	5,401,749	0.59
20	Liew Siew Keok	5,160,000	0.56
		688,770,522	74.93

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2019

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2019

(As recorded in the Register of Substantial Shareholders as at 15 March 2019)

Substantial Shareholdings Name	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Goh Yeow Lian ⁽²⁾	17,963,000	1.95	400,194,872	43.54
GSC Holdings Pte. Ltd.	349,159,000	37.98	—	—

Notes:

⁽¹⁾ Based on the total number of issued ordinary shares of 919,245,086 (excluding treasury shares and subsidiary holdings) as at 15 March 2019.

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

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

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

To the best knowledge of the Company, the percentage of shareholding held in the hands of public as at 15 March 2019 is approximately 35.54% of the total issued shares, excluding treasury shares. Therefore, the Company complies with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

As at 15 March 2019, the number of treasury shares held is 16,671,000 representing 1.81% of the total number of issued shares excluding treasury shares. The Company does not have any subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Wee Hur Holdings Ltd. (the “**Company**”) will be held on Friday, 26 April 2019 at 11.30 a.m. at Quality Hotel Marlow Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 for the purpose of transacting the following business:

ORDINARY BUSINESS

- | | | |
|----|---|---------------------|
| 1. | To receive and adopt the Directors’ Statement, Auditor’s Report and Audited Financial Statements for the financial year ended 31 December 2018. | Resolution 1 |
| 2. | To declare the payment of a final tax exempt (one-tier) dividend of S\$0.004 per ordinary share for the financial year ended 31 December 2018. | Resolution 2 |
| 3. | To approve the payment of Directors’ fees of S\$180,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears. (2018: S\$180,000) | Resolution 3 |
| 4. | To re-elect Mr Goh Yeow Lian, a Director retiring pursuant to Regulation 109 of the Company’s Constitution. [See explanatory Note (a)] | Resolution 4 |
| 5. | To re-elect Mr Goh Yew Tee, a Director retiring pursuant to Regulation 109 of the Company’s Constitution. [See explanatory Note (b)] | Resolution 5 |
| 6. | To re-appoint PricewaterhouseCoopers LLP as Independent Auditor and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

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

- | | | |
|----|--|---------------------|
| 7. | Share Issue Mandate | Resolution 7 |
| | <p>“That pursuant to Section 161 of the Companies Act, Chapter 50 (the “Companies Act”) and the listing rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) authority be and is hereby given to the Directors of the Company to:</p> <p>(a) (i) issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or</p> <p>(ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,</p> <p>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</p> <p>(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,</p> | |

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”
[See Explanatory Note (c)]

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 7 May 2019 for the preparation of dividend warrants of the proposed final tax exempt (one-tier) dividend of S\$0.004 per ordinary share for the financial year ended 31 December 2018 (the “**Proposed Dividend**”).

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 up to the close of business at 5.00 p.m. on 7 May 2019 will be registered to determine members' entitlement to the Proposed Dividend.

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

The Proposed Dividend, if approved, will be paid on 14 May 2019 to members registered in the books of the Company on 7 May 2019.

By Order of the Board
Tan Ching Chek and Teo Ah Hiong
Joint Company Secretaries

11 April 2019

Explanatory Notes:

- (a) Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Goh Yeow Lian can be found under the section entitled “Information on Directors Seeking for Re-election” on pages 164 to 166 of 2018 Annual Report of the Company.
- (b) Information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Goh Yew Tee can be found under the section entitled “Information on Directors Seeking for Re-election” on pages 164 to 166 of 2018 Annual Report of the Company.
- (c) The proposed ordinary resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares in the Company up to the limits as specified in the resolution for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

Notes:

- 1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

NOTICE OF ANNUAL GENERAL MEETING

2. A proxy need not be a member of the Company.
3. If a proxy is to be appointed, the instrument of proxy must be deposited at the Company's registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than seventy-two (72) hours before the time fixed for holding the Annual General Meeting. The completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.
4. A Depositor's name must appear on the Depository Register maintained by CDP as at seventy-two (72) hours before the time fixed for holding the Annual General Meeting in order to be entitled to attend, speak and vote at the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

Personal Data Privacy:

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

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

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

INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

Mr Goh Yeow Lian and Mr Goh Yew Tee are the Directors seeking re-election at the annual general meeting of the Company on 26 April 2019.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Goh Yeow Lian and Mr Goh Yew Tee as set out in Appendix 7.4.1. of the Listing Manual of the SGX-ST is as follows:

Name of Director	Goh Yeow Lian	Goh Yew Tee
Date of Appointment	3 September 2007	24 September 2007
Date of last re-appointment (if applicable)	27 April 2016	27 April 2016
Age	64	59
Country of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Goh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Mr Goh as one of the founders of the Group has played a pivotal role in the growth and development of the Group and is responsible in the formulation of the Group's strategic directions and expansion plans and managing the Group's overall business development.	Mr Goh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Mr Goh has vast experience in the operation of the construction and dormitory business and he will continue to contribute to the Group's growth.
Whether appointment is executive, and if so, the area of responsibility:	He is responsible for setting directions, formulating corporate strategic plans and overall management of the Group's businesses.	He assists the Managing Director in implementing the corporate strategic plans and overall management of the Group's business, especially the construction sector.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Managing Director	Executive Director and Deputy Managing Director
Academic and professional qualifications	Diploma in Building, Singapore Polytechnic	Diploma in Building, Singapore Polytechnic

INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

Name of Director	Goh Yeow Lian	Goh Yew Tee
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>(i) Brother of:</p> <ul style="list-style-type: none"> Goh Yew Tee (Director) Goh Yeo Hwa (Director); Goh Yew Gee (Director); Goh Yeu Toh (Director of Wee Hur Construction Pte Ltd ("WHC")); Gaw Chu Lan (Director, Admin and Finance) <p>(ii) Brother-in-law of:</p> <ul style="list-style-type: none"> Sua Nam Heng (Director of WHC); and Cheng Kiang Huat (Director of WHC) <p>(iii) Father of Goh Wee Ping (Chief Executive Officer of Wee Hur Capital Pte. Ltd.)</p> <p>(iv) Uncle of Sua Chen Shiua (Director, Tender and Contract of WHC)</p> <p>(v) Director and shareholder of GSC Holdings Pte. Ltd., a substantial shareholder of Wee Hur Holdings Ltd</p>	<p>(i) Brother of:</p> <ul style="list-style-type: none"> Goh Yeow Lian (Director) Goh Yeo Hwa (Director); Goh Yew Gee (Director); Goh Yeu Toh (Director of WHC); Gaw Chu Lan (Director, Admin and Finance) <p>(ii) Brother-in-law of:</p> <ul style="list-style-type: none"> Sua Nam Heng (Director of WHC); and Cheng Kiang Huat (Director of WHC) <p>(iii) Uncle of:</p> <ul style="list-style-type: none"> Goh Wee Ping (Chief Executive Officer of Wee Hur Capital Pte. Ltd.) Sua Chen Shiua (Director, Tender and Contract of WHC)
Shareholding interest in the listed issuer and its subsidiaries	<p>(i) 17,963,000 shares registered in own name</p> <p>(ii) 3,300,000 shares registered in the name of spouse, Tan Ah Hio</p> <p>(iii) 8,216,000 shares held by spouse, Tan Ah Hio (registered in the name of Citibank Nominees Singapore Pte Ltd)</p> <p>(iv) 39,519,872 shares registered in the name of Citibank Nominees Singapore Pte Ltd</p> <p>(v) Deemed interested in the 349,159,000 shares held by the substantial shareholder, GSC Holdings Pte. Ltd. by virtue of his interest in GSC Holdings Pte. Ltd</p>	<p>(i) 1,159,416 shares registered in own name</p> <p>(ii) 5,500,000 shares registered in the name of OCBC Securities Private Limited</p> <p>(iii) 10,000,000 shares registered in the name of Bank of Singapore</p>
Conflict of interests (including any competing business)	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes

INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

Name of Director	Goh Yeow Lian	Goh Yew Tee
Working experience and occupation(s) during the past 10 years	Executive Chairman and Managing Director, Wee Hur Holdings Ltd	Executive Director and Deputy Managing Director, Wee Hur Holdings Ltd
Other principal commitments including directorships:		
Past 5 years:	WM (Buranda) Pte Ltd (struck off)	WM (Buranda) Pte Ltd (struck off)
Present:	Wee Hur Group of Companies WM (Kaki Bukit) Pte Ltd WM (Punggol Central) Pte Ltd WM Dormitory Pte Ltd WM Development Pte Ltd GSC Holdings Pte Ltd Multi-zones Marketing Pte Ltd Fernvale Green Pte Ltd PSH Ventures Pte Ltd Upside Investments Pte Ltd Hexachem (M) Sdn Bhd Mimosa Realty (M) Sdn Bhd	Wee Hur Group of Companies WM (Kaki Bukit) Pte Ltd WM (Punggol Central) Pte Ltd WM Dormitory Pte Ltd WM Development Pte Ltd GSC Holdings Pte Ltd Multi-zones Marketing Pte Ltd Fernvale Green Pte Ltd Wealth Investment Pte Ltd
Mr Goh Yeow Lian and Mr Goh Yew Tee have individually confirmed that on each of the questions as set out in paragraph (a) to (k) of Appendix 7.4.1 of the Listing Manual, the answer is “no”.		
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Yes. Appointed Director of Wee Hur Holdings Ltd since 2007. N.A.	Yes. Appointed Director of Wee Hur Holdings Ltd since 2007. N.A.
Please provide details of the relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Proxy Form

WEE HUR HOLDINGS LTD.

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

ANNUAL GENERAL MEETING

IMPORTANT

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

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2019.

I/We _____ (Name), _____ (NRIC/Passport Number / Company Registration Number)
of _____ (Address)

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on Friday, 26 April 2019 at 11.30 a.m. at Quality Hotel Marlow Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	No. of Votes For	No. of Votes Against
ORDINARY BUSINESS			
1.	To adopt the Directors' Statement, Auditor's Report and Audited Financial Statements.		
2.	To declare Final Dividend.		
3.	To approve Directors' Fees for the financial year ending 31 December 2019.		
4.	To re-elect Mr Goh Yeow Lian, a Director retiring under Regulation 109 of the Company's Constitution.		
5.	To re-elect Mr Goh Yew Tee, a Director retiring under Regulation 109 of the Company's Constitution.		
6.	To re-appoint PricewaterhouseCoopers LLP as Independent Auditor and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
7.	To approve the Share Issue Mandate.		

*Voting will be conducted by poll. If you wish to execute all your votes "For" or "Against", please tick with "✓". Alternatively, please indicate the number of votes "For" or "Against" each resolution.

Dated this _____ day of _____ 2019

Total Number of Shares Held	
-----------------------------	--

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

2. A proxy need not be a member of the Company.
3. If no name is inserted in the space for the name of your proxy in the instrument appointing a proxy or proxies, the Chairman of the Meeting will act as your proxy.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 39 Kim Keat Road, Wee Hur Building, Singapore 328814, not less than seventy-two (72) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Act.
9. The completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
10. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy appointing a proxy or proxies (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



偉合控股有限公司
WEE HUR HOLDINGS LTD

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