



SING HOLDINGS LIMITED

Co. Reg. No. 196400165G



2017

ANNUAL REPORT



CONTENTS

02	CORPORATE PROFILE
03	CHAIRMAN'S MESSAGE
07	CORPORATE DATA
08	CORPORATE STRUCTURE
09	BOARD OF DIRECTORS
12	MANAGEMENT TEAM
13	CORPORATE GOVERNANCE REPORT
27	DIRECTORS' STATEMENT
30	INDEPENDENT AUDITOR'S REPORT



35	CONSOLIDATED INCOME STATEMENT
36	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
37	BALANCE SHEETS
38	STATEMENTS OF CHANGES IN EQUITY
41	CONSOLIDATED CASH FLOW STATEMENT
43	NOTES TO THE FINANCIAL STATEMENTS
105	STATISTICS OF SHAREHOLDINGS
107	NOTICE OF ANNUAL GENERAL MEETING PROXY FORM

CORPORATE PROFILE

The Group prides itself in delivering quality developments to its purchasers and tenants. From the conceptualisation of project layouts and designs to the selection of fittings and finishes, the construction of the development to the final touches upon completion, every detail is meticulously combed to ensure finest quality.

Founded in 1964, Sing Holdings Limited and its subsidiaries (the "Group") is a property development and investment group listed on the Mainboard of the Singapore Exchange. It has an established track record of development experiences in a wide spectrum of properties ranging from landed houses, condominiums to commercial and industrial buildings. Some of the Group's past residential projects include Robin Residences at Robin Drive, Waterwoods in Punggol and The Laurels at Cairnhill Road. For commercial and industrial projects, the Group developed BizTech Centre at Aljunied Road, EastGate building along East Coast Road and Ocean Towers in Shanghai, an award-winning Grade-A office building in the People's Republic of China.

The Group currently owns a 291-room, limited service hotel known as Travelodge Docklands in Melbourne and 44 strata units in BizTech Centre. Its ongoing residential project, Parc Botannia in Sengkang, is a private condominium development comprising 4 blocks of 22-storey buildings with 735 apartment units.

The Group prides itself in delivering quality developments to its purchasers and tenants. From the conceptualisation of project layouts and designs to the selection of fittings and finishes, the construction of the development to the final touches upon completion, every detail is meticulously combed to ensure finest quality. As a testament to this, the Company received the prestigious FIABCI⁽¹⁾ Singapore Property Award for its project, The Laurels. Another two projects, Waterwoods and Parc Botannia, were also bestowed the BCA⁽²⁾ Green Mark Award (Gold Plus).

Going forward, the Group will continue to focus on its core business of property development and investment. It shall continue to leverage on its development experience and expertise to deliver dream homes to its purchasers, in its bid to be a Developer of Premier Living.

Notes:

(1) FIABCI is the French acronym for "Federation Internationale des Administrateurs de Bien-Conselis Immobiliers" which means "The International Real Estate Federation". The FIABCI awards recognise outstanding developments evaluated on their overall concept, architecture and design, development and construction, community benefit and environmental impact as well as financing and marketing.

(2) BCA refers to the Building and Construction Authority of Singapore.

CHAIRMAN'S MESSAGE



LEE SZE LEONG
Chairman

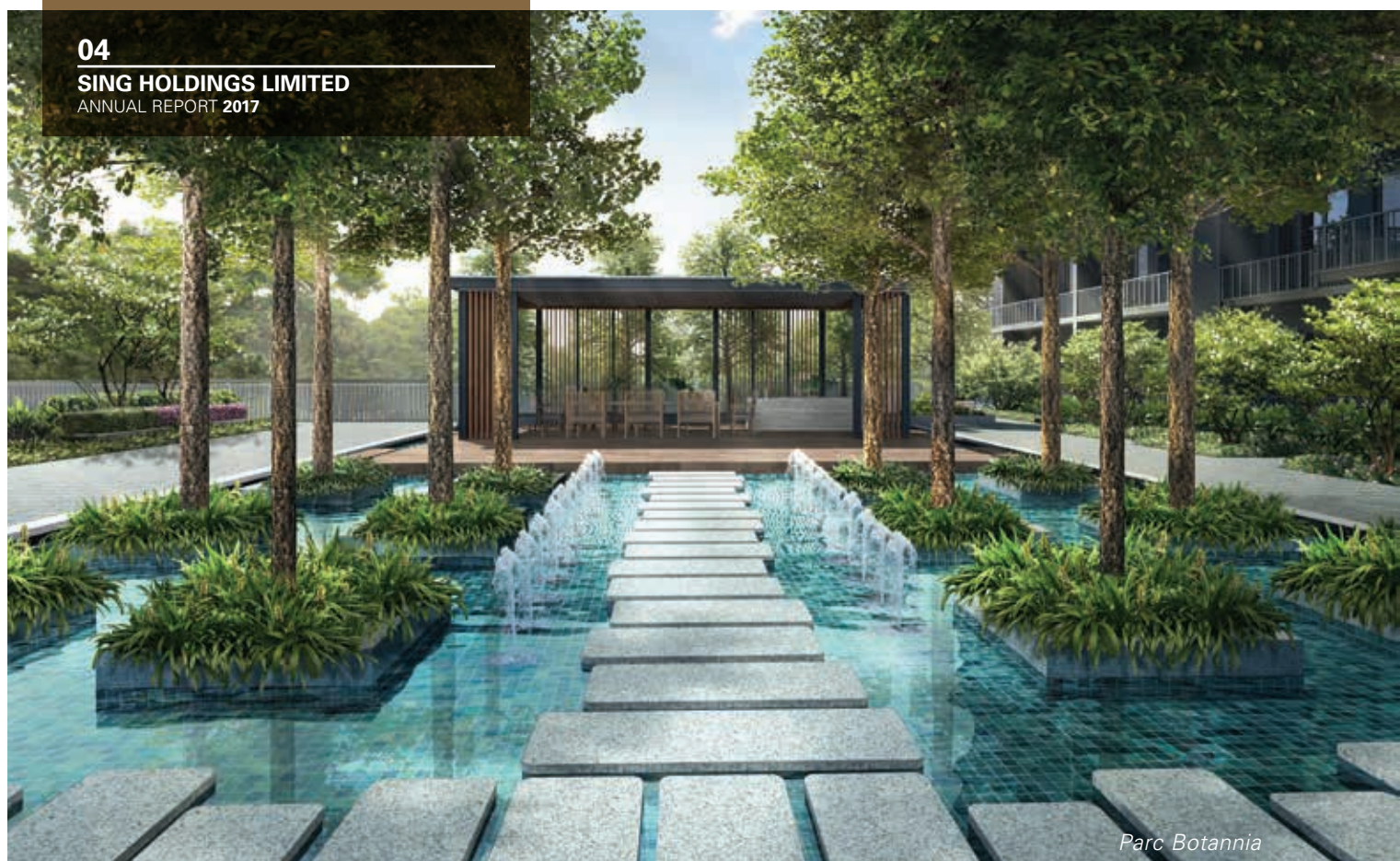
On behalf of the Board of Directors, I am pleased to present the annual report of Sing Holdings Limited for the financial year ended 31 December 2017 ("FY2017").

FINANCIAL REVIEW

Our Group recorded a profit attributable to shareholders of \$3.3 million for FY2017. The decrease in profit was mainly due to a decline in recognition of sales proceeds from completed properties. Revenue for the year comprised recognition of sales proceeds from the remaining completed properties and properties under development, as well as rental income from lease of an investment property. Revenue from properties under development was recognised progressively based on construction progress.

Other income rose primarily due to fair value gain on quoted equity shares held for trading and foreign exchange gain from repayment of a foreign currency bank loan. The increase in operating expenses was largely attributable to loss on disposal of a subsidiary, net loss on fair value adjustment of an investment property and higher bank interest. This increase was offset by lower bonus incurred and a drop in commission for sales of completed properties.

Our Group's net asset value decreased by \$1.9 million as a result of payment of dividends in respect of last financial year which exceeded profit reported for FY2017



Parc Botannia

CHAIRMAN'S MESSAGE

and foreign currency translation loss recorded. This was offset by an increase in the fair value of available-for-sale quoted equity shares.

DIVIDEND

Subject to approval by the shareholders at the forthcoming Annual General Meeting, the Board is recommending a first and final one-tier tax exempt dividend of 1.0 cent per ordinary share.

BUSINESS REVIEW

For the year 2017, the Singapore economy expanded by 3.6%, better than the 2.4% growth in 2016. Overall prices of private residential properties improved by 1.1% in 2017. This growth was experienced in both the residential and commercial segments (except retail), as price indices rose across various property types.

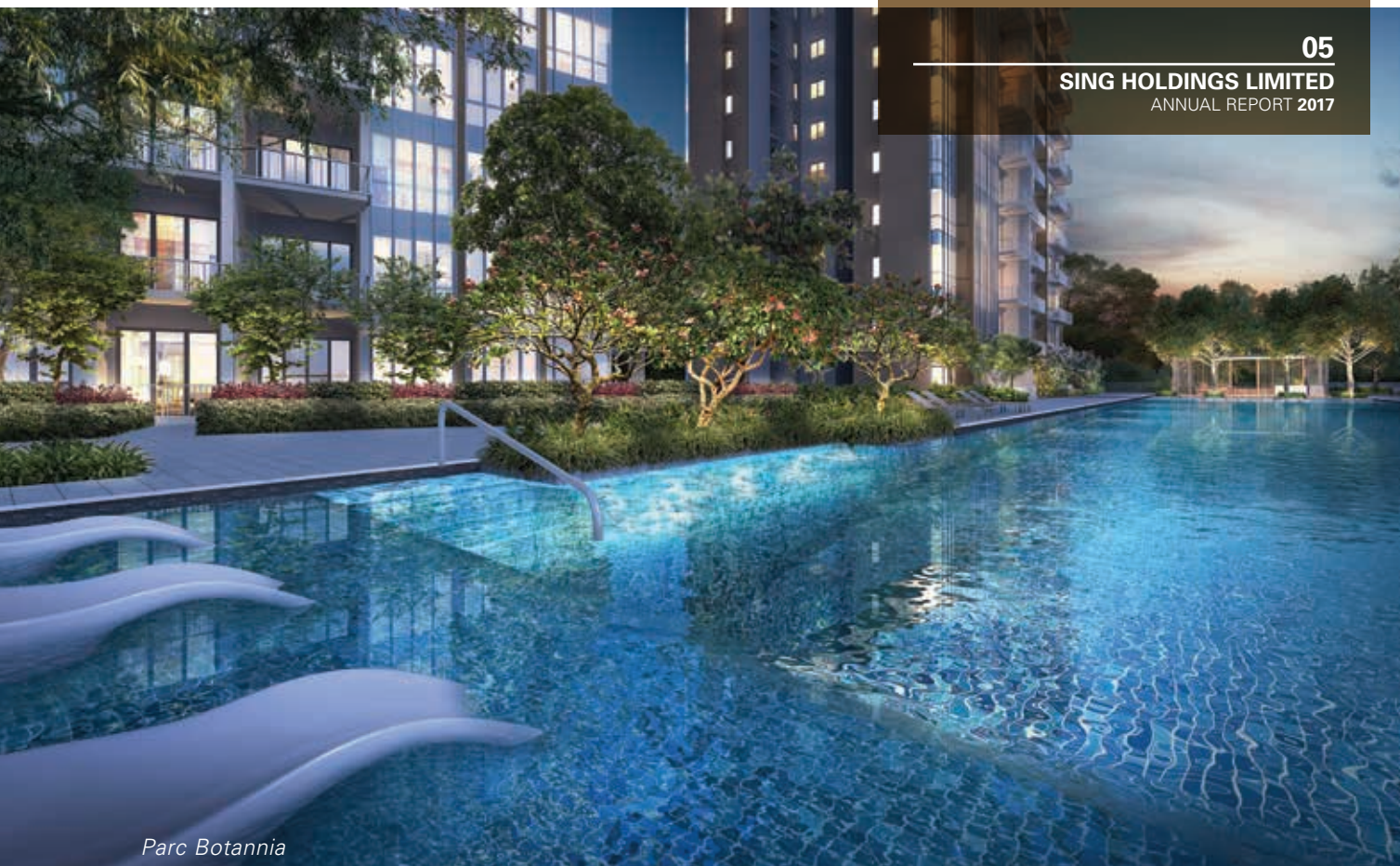
Riding on the positive market sentiments, our Group launched its residential development "Parc Botannia" at Fernvale Street for sale in end 2017. The project was well-received and I am pleased to report that sales momentum has been encouraging.

Our hotel "Travelodge Docklands" in Melbourne continued to provide our Group with a steady stream of recurring income. Faced with keen competition from new hotels and Airbnb, the hotel was able to maintain occupancy rate at above 90% albeit a slight decline in room rates.

Our Group's portfolio comprises the following:

- **Parc Botannia, Singapore**

Parc Botannia is a 99-year leasehold residential development at Fernvale Street with a gross floor area of 51,588 square metres. Nestled in a rustic enclave, the development boasts lush landscapes and is located adjacent to an upcoming park that spans across more than 9,000 square metres. It is also situated next to the Thanggam LRT station and is easily accessible via the Tampines Expressway. The site enjoys close proximity to schools and amenities such as The Seletar Mall, eateries along Jalan



Parc Botannia

CHAIRMAN'S MESSAGE

Kayu, Sengkang Sports Centre and Sengkang Riverside Park. The proposed private condominium development will comprise 4 blocks of 22-storey buildings with 735 apartment units. Our Group has a 70% interest in this development project.

The project was launched for sales in November 2017. As at the date of this report, approximately 47% of the units in Parc Botannia have been issued an option to purchase, amounting to sales value of about \$296.2 million. Construction has commenced in July 2017. Revenue from sales will continue to be recognised progressively based on construction progress.

- ***BizTech Centre, Singapore***

BizTech Centre is a freehold light industrial building along Aljunied Road. It is well-served by the newly-opened Mattar MRT station on the Downtown Line. Our Company currently owns 44 strata units in the building with a saleable area of 45,384 square feet, of which about 82% are tenanted.

- ***Travelodge Docklands, Australia***

Travelodge Docklands is a freehold, 14-storey limited service hotel in Docklands, Melbourne. It comprises 291 guestrooms,

a food and beverage outlet, a business centre, meeting rooms and other basic amenities. The hotel is in the immediate vicinity of the Southern Cross Railway Station and within minutes' walk to the 53,000-seat all-purpose Etihad Stadium, the Melbourne Convention & Exhibition Centre and the Crown Casino. It is also near to many existing and upcoming corporate offices.

The hotel enjoys a high average occupancy rate of above 90% and has a diversified group of guests including leisure travelers and corporate clients. It is on a long-term lease to TFE Hotels group, one of Australia's largest hotel companies which operates hotels across Australia, New Zealand and Europe.



BizTech Centre



Travelodge Dockland

CHAIRMAN'S MESSAGE

OUTLOOK

The Ministry of Trade and Industry expects Singapore economy's pace of growth to moderate in 2018 as compared to 2017, but remain firm. Although the outlook for global growth has improved slightly since end 2017, there are grave concerns over the US administration's trade policies and its spillover effects on economic growth worldwide. In addition, both Eurozone and China's economies are projected to ease in 2018. Notwithstanding the global uncertainties and domestic challenges, we will continue to explore viable land replenishment opportunities to grow our Company, as we remain heedful of the risks.

APPRECIATION

I would like to thank my fellow directors for their invaluable guidance and support. My sincere appreciation to our management team and staff for their commitment and diligence. Last but not least, on behalf of the Board of Directors, I would like to thank our valued shareholders, customers, bankers and business partners for their continuous support and confidence in us.

LEE SZE LEONG

Chairman
2 April 2018

CORPORATE
DATA**DIRECTORS**

Lee Sze Leong *Non-executive Chairman*
Lee Sze Hao *Managing Director and Chief Executive Officer*
Ong Loke Min David *Independent Director*
Tan Tong Guan *Independent Director*

AUDIT COMMITTEE

Tan Tong Guan *Chairman*
Ong Loke Min David
Lee Sze Leong

NOMINATING COMMITTEE

Ong Loke Min David *Chairman*
Tan Tong Guan
Lee Sze Leong

REMUNERATION COMMITTEE

Ong Loke Min David *Chairman*
Tan Tong Guan
Lee Sze Leong

COMPANY SECRETARY

Tan Mui Sang

MANAGEMENT TEAM

Lee Sze Hao *Chief Executive Officer*
Tay Puay Kuan *Chief Financial Officer*
Koh Nghee Kwang *Director, Development Management*
Teo Peek Shang, Casey *Director, Business Development and Marketing*

REGISTRATION NUMBER

196400165G

REGISTERED OFFICE

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#10-01 SIF Building
Singapore 068899

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Facsimile: (65) 6536 6620
Email address: enquiries@singholdings.com
Website: www.singholdings.com

AUDITORS

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge:
Lee Kim Lin Eleanor
Year of appointment:
Financial year ended 31 December 2016

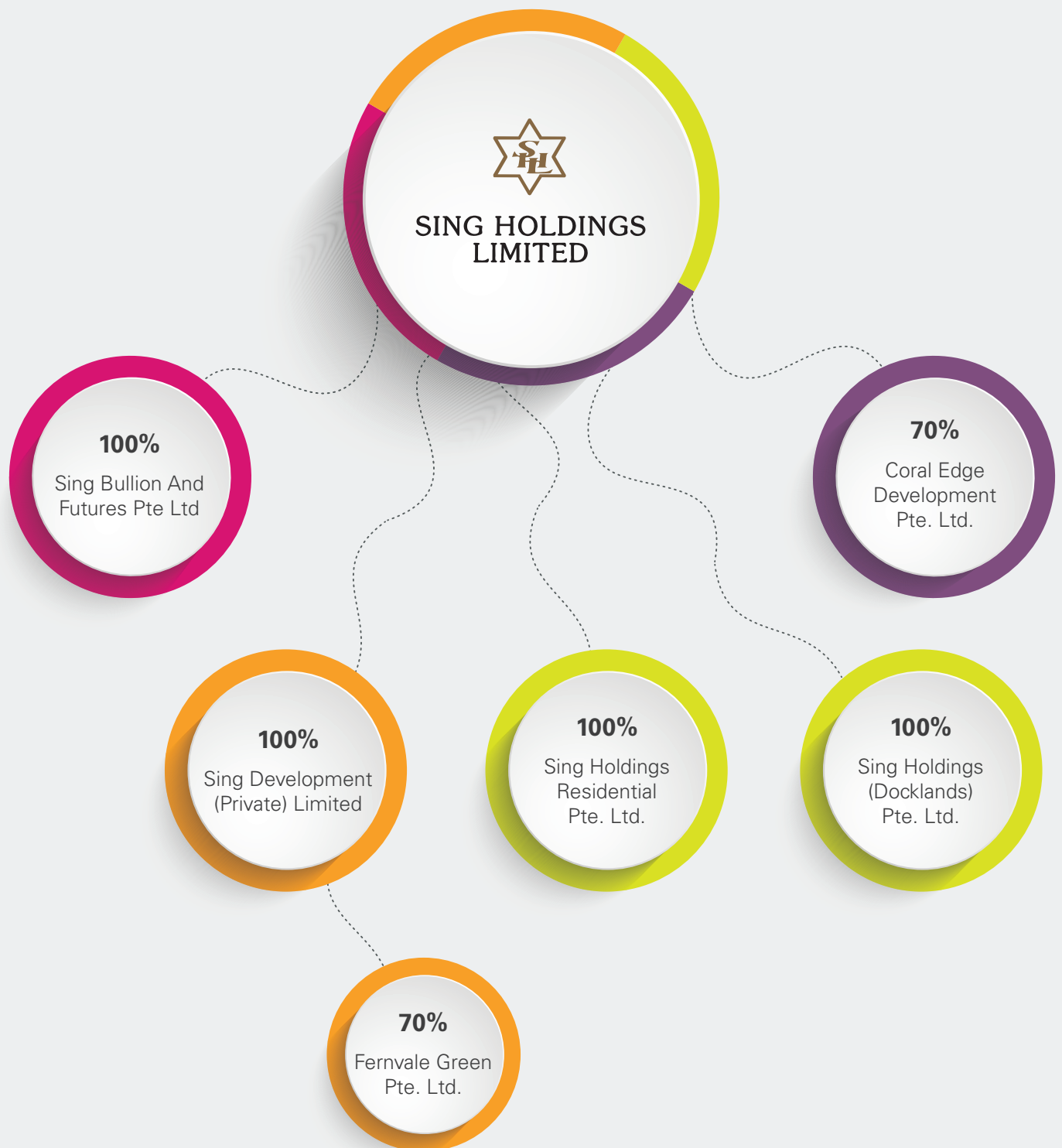
SHARE REGISTRAR

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

Telephone: (65) 6536 5355
Facsimile: (65) 6536 1360

BANKERS

DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

CORPORATE
STRUCTURE

Notes:

(1) The Group constituted two property trusts in Australia in 2016.

(2) Sing Holdings Residential Pte. Ltd. was incorporated on 14 March 2018.

BOARD OF
DIRECTORS

L-R:
Ong Loke Min David
Lee Sze Hao
Lee Sze Leong
Tan Tong Guan

BOARD OF
DIRECTORS**LEE SZE LEONG, 59**

Chairman

Mr Lee was appointed non-executive Chairman of the Company in April 2015 and sits on its Audit Committee, Nominating Committee and Remuneration Committee. He has been the Company's director for about 25 years. He was last re-elected as director at the Company's Annual General Meeting on 19 April 2016.

Mr Lee is the Managing Director and Chief Executive Officer of Sing Investments & Finance Limited, a finance company listed on the Mainboard of the Singapore Exchange, and has more than 30 years of experience in the finance business.

Mr Lee has been active in various grassroots organisations and associations. He is presently the Honorary Chairman of the Tanjong Pagar-Tiong Bahru Citizens' Consultative Committee. He is the Chairman of the Hire Purchase, Finance and Leasing Association of Singapore and Honorary Treasurer of the Finance Houses Association of Singapore. Mr Lee is a council member of the 59th Council of Singapore Chinese Chamber of Commerce & Industry (SCCCI). He sits on the Board of Trustees of the Chinese Development Assistance Council and is a member of its Investment Committee. Mr Lee was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1997 and Public Service Star (Bintang Bakti Masyarakat) in 2007. He holds a Bachelor of Business Administration degree from the University of Hawaii, Manoa, United States of America.

LEE SZE HAO, 54Managing Director and
Chief Executive Officer

Mr Lee joined the Group as an Executive Director in 1992 and was appointed the Company's Managing Director in March 2001. He was designated as Chief Executive Officer of the Company in March 2009. Mr Lee has been running the property business for about 25 years and he plays a pivotal role in the management of the Group's business. He is responsible for implementing the Group's strategies and policies, financial planning, recommending new business initiatives and overseeing the day-to-day operations of the Group. He was last re-elected as director at the Company's Annual General Meeting on 26 April 2017. Mr Lee is also the Managing Director of the various subsidiaries of the Company.

Prior to joining the Group, Mr Lee has more than seven years of experience in property financing during his previous employment with Sing Investments & Finance Limited as a senior manager. Mr Lee is presently the Honorary President of the Singapore Chung Hwa Medical Institution. He holds a Bachelor of Science in Business degree from Indiana University, Bloomington, United States of America.

BOARD OF
DIRECTORS

Mr Tan is an Independent Director of the Company. He is the Chairman of the Company's Audit Committee and a member of its Nominating Committee and Remuneration Committee. He was appointed as director at the Company's Annual General Meeting on 19 April 2016.

Mr Tan is the Executive Chairman and Chief Executive Officer of Smartflex Holdings Ltd., a company listed on the Catalist of the Singapore Exchange. He holds a Bachelor of Accountancy degree from the National University of Singapore and is a Fellow (Non-Practising) member of the Institute of Singapore Chartered Accountants.

TAN TONG GUAN, 54
Independent Director

Mr Ong is an Independent Director of the Company. He is the Chairman of the Company's Nominating Committee and Remuneration Committee and a member of its Audit Committee. He was last re-elected as director at the Company's Annual General Meeting on 28 April 2015 and is proposed for re-election in accordance with Article 104 of the Company's Constitution at the Company's forthcoming Annual General Meeting.

Mr Ong has more than 30 years of experience in the construction industry. He is currently the director of LMO group of companies, a project management consultancy group serving both Singapore and overseas projects. Prior to this, he held various managerial positions in Bovis Lend Lease Pte Ltd and was its Managing Director when he left the company. He is a member of the Singapore Institute of Surveyors & Valuers and a member of the Royal Institute of Chartered Surveyors, United Kingdom. Mr Ong holds a Bachelor of Science degree in Building Surveying from Liverpool Polytechnic, United Kingdom and a Master of Science degree in Project Management from the National University of Singapore.

ONG LOKE MIN DAVID, 62
Independent Director

MANAGEMENT TEAM

TAY PUAY KUAN

Chief Financial Officer

Ms Tay joined the Group in 1998 and has been with the Group for about 20 years. She is responsible for its financial management, accounting, tax, banking and secretarial matters. Prior to joining the Group, she was with an international accounting firm and foreign securities houses. Ms Tay holds a Bachelor of Accountancy degree from the National University of Singapore and is a non-practising member of the Institute of Singapore Chartered Accountants.

KOH NGHEE KWANG

Director, Development Management

Mr Koh joined the Group in 2014 to lead and steer its property development management activities. He is responsible for the planning, development and management of the Group's properties and participates actively in the evaluation of potential sites for acquisition. Prior to joining the Group, he held various appointments in the property-related field and has more than 30 years' post graduate experience in the construction industry comprising 12 years in consultancy and 18 years in design and construction projects. Mr Koh holds a Bachelor of Engineering degree from the National University of Singapore. He is a professional engineer registered with the Singapore Professional Engineers Board and a senior member of The Institution of Engineers Singapore.

TEO PEEK SHANG CASEY

Director, Business Development and Marketing

Ms Teo joined the Group in 2014 to head its business development and marketing functions. She is responsible for identifying and evaluating investment opportunities. She is also in charge of formulating marketing strategies for the Group's properties and participates actively in the design and concept of development projects. Prior to joining the Group, she held various appointments with listed property developers and real estate consultancy companies. She has more than 20 years' experience in marketing and sales of properties, of which 14 years also included business development activities. Ms Teo is a licensed appraiser and holds a Bachelor of Science (Estate Management)(Hons) degree and a Master of Science (Real Estate) degree, both from the National University of Singapore.

CORPORATE GOVERNANCE REPORT

The Company is committed to setting and maintaining high standards of corporate governance to establish an ethical and accountable corporate environment, to ensure greater transparency, to safeguard the assets of the Group and to protect shareholders' interests. It has put in place practices in accordance with the principles and guidelines set out in the Code of Corporate Governance 2012 (the "Code"). The following outlines the corporate governance principles applied by the Company with specific references to the Code. Where there is any material deviation, an explanation has been provided within this report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board's primary roles are to set and review the Company's overall business direction and strategies, provide guidance and leadership and ensure the proper management and conduct of the Company's affairs. The Board assesses and approves major investment, material divestment, capital-related matters, returns to shareholders and funding proposals. It identifies major risk areas and ensures implementation of controls to manage such risks, formulates and reviews the corporate policies, monitors and reviews management performance, evaluates the Group's financial performance and approves the Company's financial reporting. The Board is also responsible for identifying the key stakeholder groups, setting the Company's values and standards, ensuring that obligations to shareholders and other stakeholders are met and considering sustainability issues in its strategic formulation.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group. Decisions are made objectively in the interests of the Group at all times.

The Board conducts meetings at least once every quarter and ad hoc meetings are convened as and when warranted. Board decisions may also be made by way of circulating resolutions. The Company's Constitution allows for meetings of its Board to be held by teleconferencing and other electronic means. Matters requiring the Board's decision are documented and clearly communicated to Management.

Board Committees comprising the Audit Committee, the Remuneration Committee and the Nominating Committee were established to assist the Board in the discharge of its duties. These Committees review and decide or make recommendations to the Board on matters within their specific terms of reference. The Board accepts that while the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Directors' attendance at the various meetings during the last financial year are set out as follows:

Board/Board Committees	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	6	5	1	2
Number of meetings attended:				
Mr Lee Sze Hao	6	NM	NM	NM
Mr Lee Sze Leong	6	5	1	2
Mr Ong Loke Min David	6	5	1	2
Mr Tan Tong Guan	6	5	1	2

Note:
"NM" denotes non-member

CORPORATE GOVERNANCE REPORT

Upon appointment to the Board, a Director will be provided with a formal letter setting out, *inter alia*, a director's duties and obligations and the terms of reference of the Board Committees. Newly-appointed Directors are briefed on the Company's business operations, strategic directions, group structure, policies and corporate governance practices. They are introduced to key management personnel and provided with essential information about the Company. Regulatory requirements concerning disclosure of interests and restrictions on dealings in the Company's shares are highlighted to the newly-appointed Directors.

On an ongoing basis, the Board is updated on regulatory, industry and accounting changes by the Management, the Company Secretary, auditor and other professional advisers. The Executive Director routinely briefs the Non-executive Directors on the Group's development and the property market. Where appropriate, arrangements are made for business associates such as financiers, project consultants and property advisers to present their areas of expertise to the Board so as to facilitate their understanding of the Company's business. Directors may also attend appropriate courses and seminars at the Company's expense when necessary.

Principle 2: Board Composition and Guidance

The Board currently comprises four members. Other than the Chief Executive Officer ("CEO") who is also the Managing Director, the other members are Non-executive Directors. Of the three Non-executive Directors, two are considered to be independent. Accordingly, there is a strong independent element in the Board and the Company is in compliance with the Code.

The independence of each Director is reviewed annually by the Nominating Committee. Each Independent Director is required to complete a declaration form annually to confirm his independence. The Nominating Committee deliberates the independence of the Directors against a checklist prepared based on the guidelines set out in the Code and determines whether the Directors are independent in character and judgement. An independent director is one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of the director's independent business judgment for the best interests of the Company. Each Director is required to disclose to the Board any such relationship or circumstance as and when it arises. The Board will assess whether the existence of such relationship or circumstance impacts the independence of the Director. In the event where the Board decides that the Director is to be considered as independent, it will provide reasons for its determination. Any director who has served the Board beyond nine years from the date of his first appointment is deemed to be non-independent.

The Board has a good mix of core competences including accounting, compliance, finance, business and management experience and industry knowledge. Given the scope and nature of the operations of the Company, the Board is of the view that its current size and composition are appropriate in facilitating effective decision making. No individual or small group of individuals dominates the Board's decision making.

Non-executive Directors provide constructive advice and alternate perspectives to the Group's business. They participate actively in Board meetings, in the development of the Company's strategies and in reviewing the Management's performance. As and when warranted, Non-executive Directors meet to discuss the Company's affairs without the presence of Management.

A brief profile of each Director is presented on pages 10 and 11 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Chief Executive Officer

The CEO of the Company is a brother of its Non-executive Chairman. Notwithstanding this relationship, the Board is of the view that there is a clear division of responsibilities between the two roles with adequate accountability.

As its Non-executive Chairman, Mr Lee Sze Leong ensures the proper and effective functioning of the Board and charts the Company's overall business direction. He also ensures effective communication with shareholders in that all shareholders' queries and concerns are addressed promptly and appropriately. In addition, he promotes constructive relationship and openness between Executive Director, Non-executive Directors and Management and ensures that high standards of corporate governance are maintained.

The CEO, Mr Lee Sze Hao, is responsible for implementing the Company's strategies and policies, financial planning, recommending new business initiatives and review of acquisitions or disposals. He oversees the day-to-day operation of the Group and ensures proper conduct of the Group's affairs. In addition, he leads the management team and monitors the Group's performance.

The Board is of the opinion that with the active participation from its Non-executive and Independent Directors during Board meetings and transparency in the Company's dealings, the Directors are able to exercise objectivity on corporate matters notwithstanding that the Non-executive Chairman and the CEO are related. All major decisions on significant matters are made in consultation with the entire Board without any individual or group of individuals exercising undue concentration of power or influence, thus ensuring sufficient check and balance of power and authority on the Board. Independent Directors form half of the Company's board of directors, as recommended in Guideline 2.2 of the Code.

The Board has not appointed a lead independent director. Considering the Company's business operations and a board size of 4 members with 2 being Independent Directors, the Board is of the view that the appointment of a lead independent director is not necessary. Shareholders with serious concerns and for which contact through the normal channels of the Non-executive Chairman, the CEO or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate can contact either of the two Independent Directors, who are also the chairman of the Audit Committee or the chairman of the Nominating Committee and Remuneration Committee. The Board will continue to examine the need to appoint a lead independent director periodically.

Principle 4: Board Membership

The Nominating Committee ("NC") comprises three members, Mr Ong Loke Min David, Chairman of the NC, Mr Tan Tong Guan and Mr Lee Sze Leong. Both Mr Ong and Mr Tan are Independent Directors and Mr Ong, the Chairman, is not a substantial shareholder nor directly associated with a substantial shareholder.

The principal responsibilities of the NC, as set out in its Terms of Reference, are as follows:

- review the Board size and composition, taking into account the expertise and experience required, and make recommendations to the Board with regard to any adjustments and board succession plans that are deemed necessary;

CORPORATE GOVERNANCE REPORT

- identify and nominate candidates for approval by the Board to fill any Board vacancies;
- review and make recommendations on re-nomination and re-election of Directors;
- determine annually the independence of Directors;
- review the ability of a Director to carry out his duties effectively when he has multiple board representations;
- evaluate the effectiveness of the Board and the Board Committees as a whole and assess the contribution and performance of individual Directors; and
- review training and professional development programs for the Board.

The Constitution of the Company provides that at least one third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one third) are required to retire from office at every Annual General Meeting ("AGM") of the Company. The Directors submit themselves for re-nomination and re-election at regular intervals. The composition of the Board Committees and the dates of first appointment and last re-election of the Directors are set out below:

Board Members	Audit Committee	Nominating Committee	Remuneration Committee	Date of first appointment to the Board	Date of last re-election to the Board
Mr Lee Sze Hao	–	–	–	01.04.1997	21.04.2017
Mr Lee Sze Leong	M	M	M	06.11.1992	19.04.2016
Mr Ong Loke Min David	M	C	C	16.05.2011	28.04.2015
Mr Tan Tong Guan	C	M	M	19.04.2016	–

Notes:

"C" denotes chairman

"M" denotes member

The Company has not stipulated the maximum number of listed company board representations a Director may hold. Each Director is required to declare their board representations to the Board. The NC will review and consider the Directors' time commitment to the Company's affairs and the contributions made at the meetings of the Board and Board Committees. Currently, none of the Directors hold excessive number of board representations. The NC is satisfied that the Directors have discharged their duties adequately with sufficient time and attention given to the affairs of the Group. The NC will continue to review the need to set a maximum number of board representations and other principal commitments a Director may hold.

The Board does not approve the appointment of alternate directors, except for limited periods in exceptional cases. Since its listing on the Singapore Exchange, the Company has not had alternate director on its Board.

CORPORATE GOVERNANCE REPORT

The search for new directors is conducted through contacts and recommendations. In reviewing new director appointments, the NC will take into consideration the qualifications, skills, knowledge, experience, character, independence, existing directorships and other principal commitments of the candidates. After careful deliberation, the NC will recommend the candidates to the Board, which will then appoint the new directors. Such new directors must submit themselves for re-election at the next AGM of the Company immediately following the appointment.

Principle 5: Board Performance

On an annual basis, the NC assesses the effectiveness of the Board and its Board Committees as a whole and the contribution by each individual Director to the effectiveness of the Board. This assessment takes into consideration the performance of the Company vis-à-vis previous years and industry peers, as well as the ability of the Board to steer the Group in the predetermined direction. In evaluating the Board's performance, the NC implements a formal assessment checklist which covers areas such as the composition and quality of the Board, the presence of independence, the responsibilities of the Board and the conduct of meetings. As the Board's principal responsibilities are to formulate the overall business direction and strategy and to set policies, rather than to execute them, the NC is of the opinion that financial indicators may not be a good measure of the effectiveness of the Board. Nevertheless, as a guide to objective performance criteria, the Board considers the Company's share price performance with its peers in the industry and the returns from the Group's development projects.

Assessment parameters for each Director's performance include attendance and contribution at meetings of the Board and Board Committees, the level of participation in the affairs of the Company and the sharing of strategic insight and expertise relevant to the Group. Where appropriate, new members with relevant knowledge and experience will be appointed to the Board.

Principle 6: Access to Information

Before each Board and Board Committee meeting, Management will provide the Directors with the agenda and the meeting materials relating to matters to be discussed during the meeting. Such meeting materials may include financial statements, forecasts, disclosure documents, industry information and explanations of material variances from projections. This is to allow the Directors some time to better understand the matters and to deliberate over any issues. Management staff who can explain and provide insight into the matters may also be invited from time to time to attend such meetings. Directors are entitled to request for additional information and explanations from Management and such information shall be provided in a timely manner. Other than having separate and independent access to the Company Secretary and management team on an ongoing basis, the Directors may, whether as a group or individually, seek independent professional advice at the Company's expense in the furtherance of their duties where necessary. The Company Secretary attends all Board and Board Committee meetings and ensures that Board procedures are followed. Together with Management, the Company Secretary ensures that applicable statutory and regulatory rules are complied with. Appointment and removal of the Company Secretary is a collective decision to be taken by the Board as a whole.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises three members, Mr Ong Loke Min David, Chairman of the RC, Mr Tan Tong Guan and Mr Lee Sze Leong. Both Mr Ong and Mr Tan are Independent Directors and Mr Lee is a Non-executive Director.

The principal responsibilities of the RC, as set out in its Terms of Reference, are as follows:

- review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for the Executive Director, key management personnel and those employees related to the executive directors and controlling shareholders;
- review and recommend to the Board the terms of renewal of the service agreement of Executive Director; and
- review any major changes in employee benefit structures of the Group.

The RC will ensure that all aspects of remuneration are covered and that the remuneration packages are appropriate and comparable within the industry and to similar-sized companies so as to attract, retain and motivate Directors and key management personnel needed to run the Company successfully.

The RC is entitled to obtain independent professional advice on remuneration matters at the Company's expense when warranted. During the year under review, the Company did not engage the services of a remuneration consultant. In setting remuneration packages, the Company considered the employment conditions in the same industry and in comparable companies, evaluated the performance of the Group and the individual employee and reviewed publicly-available remuneration information.

The RC also reviews the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service. Such contracts of service can be terminated by either party giving notice of resignation or termination. The RC is satisfied that there are no onerous removal clauses and that the termination terms are fair and reasonable.

Principle 8: Level and Mix of Remuneration

The Company adopts a remuneration policy for Directors and staff comprising a fixed component, a variable component and benefits-in-kind. The remuneration structure aims to attract, retain and motivate Directors and staff to run the Company effectively and to be risk conscious, so as to promote the long-term success of the Company and to protect the interests of shareholders. The fixed component is in the form of a base salary and other fixed allowances while the variable component comprises variable bonus which is linked to the Company and the individual's performance.

CORPORATE
GOVERNANCE REPORT

Currently, the Company does not have an employee share option scheme or any long-term incentive scheme for executive directors and key management personnel. With a team of only 1 Executive Director and 3 key management personnel, the costs of implementing and maintaining a long-term incentive scheme outweighs the benefits. The RC has reviewed and is satisfied that the existing remuneration structure with variable components paid in cash is effective in incentivising performance. The RC will recommend the implementation of long-term incentive schemes when it considers appropriate.

Non-executive Directors do not have contracts of service with the Company. In determining the directors' fees payable to Non-executive Directors, consideration is given to factors such as roles, responsibilities, contributions, effort and time spent. Referencing against comparable benchmark is also carried out as a guide. Each Non-executive Director receives a base fee, with an additional fee payable to the chairman of the Board and the Board Committees to commensurate the expanded responsibilities. The RC has reviewed the fee structure and is of the view that it does not compromise the independence of the Non-executive Directors. The directors' fees, as recommended by the RC, are subject to shareholders' approval at the AGM.

The Company does not have any policy to prohibit or require the Non-executive Directors to hold shares in the Company. Non-executive and Independent Directors are advised to observe the guidelines set out in the Code. Presently, all 3 Non-executive Directors hold shares in the Company directly and/or indirectly.

There are no contractual provisions in the contracts of service with Executive Director and key management personnel which allow the Company to reclaim incentive components of remuneration in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC is of the view that there is no requirement to institute such contractual provisions, as the variable component of the remuneration packages of Executive Director and key management personnel are moderate.

Principle 9: Disclosure on Remuneration

Details on the remuneration of Directors of the Company for the year ended 31 December 2017 are set out below. During the year, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

	Salary	Directors' Fees ⁽¹⁾	Other Benefits	Performance Bonus	Total	
Directors						
Mr Lee Sze Hao	75%	–	6%	19%	100%	\$709,000
Mr Lee Sze Leong	–	100%	–	–	100%	\$163,000
Mr Ong Loke Min David	–	100%	–	–	100%	\$58,000
Mr Tan Tong Guan	–	100%	–	–	100%	\$58,000

Note:

(1) Subject to approval by shareholders at the forthcoming AGM

CORPORATE GOVERNANCE REPORT

The Code recommends that the remuneration of at least the top five key management personnel be disclosed in bands of \$250,000 on a named basis, with a breakdown of their remuneration and the total remuneration in aggregate. This information is not disclosed in this annual report, as the Board is of the opinion that such disclosure would be prejudicial to the Company's business interests, given the highly competitive conditions in the industry. In addition, the disclosure of such sensitive information may be against the interest of maintaining good morale and a strong spirit of teamwork within the Company.

Other than the CEO/Managing Director, whose remuneration has been disclosed above, there are no employees of the Company who are immediate family members of a Director or the CEO.

The Company does not have any employee share option scheme, as explained in Principle 8 above.

The RC reviews the performance of key management personnel using pre-defined performance indicators such as, amongst others, quality of work, commitment, accountability, leadership and management skills. A scoring system is adopted and the average score is used as a guide to determine the remuneration of the key management personnel. The RC also takes into consideration benchmarks in entities of comparable size and in similar industries. The variable component of the remuneration packages is linked to the Company's performance, so as to align remuneration with the long-term interests of the Company.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is mindful of its obligations to provide accurate information to its stakeholders on a timely basis. In presenting the annual financial statements and the quarterly announcements, the Board aims to provide a balanced and comprehensive assessment of the Group's performance, position and prospects to the shareholders and the public at large. The Board also releases timely announcements of material information which may be critical to the stakeholders.

The Board is committed to ensuring compliance with legislative and regulatory requirements including requirements under the Listing Rules of the Singapore Exchange Trading Limited ("SGX-ST Listing Manual"). All the Directors and the CFO have signed the prescribed undertaking to use their best endeavours to comply, and to procure that the Company complies, with the SGX-ST Listing Manual. The Company also refers to the compliance checklists prepared by the Singapore Exchange where applicable, to ensure compliance with the SGX-ST Listing Manual.

Periodic update on the Group's plans, strategies, operational and financial performance are furnished to the Board. Management also conducts discussions with the Board as and when the need arises, and provides any other information as the Board may require from time to time.

Principle 11: Risk Management and Internal Controls

The Board recognises the importance of sound internal controls and risk management practices to safeguard the shareholders' investments and the assets of the Group. It has put in place a risk management and internal controls system in relation to the financial, operational, compliance and information technology controls of the Group. The Board determines the Company's level of risk tolerance and risk policies and oversees the design, implementation and monitoring of the risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

The Company, with guidance from the Board, has established an Enterprise Risk Management (“ERM”) framework which governs the risk management processes of the Group. The ERM framework entails the identification, assessment, monitoring and reporting of key risks. Management identifies the risks to which the Group is exposed, evaluates the likelihood and impact of such risks, considers the costs of protecting against these risks and put in place appropriate measures to address and monitor the risks. Areas of significant risks to the Group’s operations, if any, are reported to the Board at least once a year.

Based on review of the key risks identified through the ERM framework and the internal controls established and maintained by the Group, work performed by the external auditor in conjunction with the statutory audit and from due enquiry with Management on work processes and internal control systems, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of the Group.

The system of risk management and internal controls is designed to manage and minimise the risk of failure in achieving the Company’s business objectives. It can only provide reasonable assurance, but not absolute guarantee, against material misstatement or loss. The Board will continue to review the adequacy and effectiveness of the Company’s risk management and internal control systems, including financial, operational, compliance and information technology controls, on an ongoing basis.

The Board has received assurance from the CEO and the CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances; and that the Company’s risk management and internal control systems in place are functioning effectively.

After reviewing the Company’s operations and taking into consideration its lean structure, the Board accepted that it is not necessary to establish a separate risk management committee at this juncture. Instead, the Board will be responsible for the governance of risk and will oversee the Company’s risk management framework and policies.

Principle 12: Audit Committee

The Audit Committee (“AC”) comprises two Independent Directors, Mr Tan Tong Guan, Chairman of the AC and Mr Ong Loke Min David and a Non-executive Director, Mr Lee Sze Leong. A majority of the members has relevant accounting or related financial management expertise and experience, with the Chairman being a qualified accountant.

The principal responsibilities of the AC, as set out in its Terms of Reference, are as follows:

- review the audit plans and results of the audit of the external auditor and the internal auditor (where applicable);
- review the annual consolidated financial statements and the external auditor’s report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits;
- review the periodic consolidated financial statements and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;

CORPORATE GOVERNANCE REPORT

- review and discuss with external auditor and internal auditor (where applicable), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the management's response;
- review the co-operation given by the management to the external auditor;
- consider the appointment, re-appointment and removal of the external auditor, taking into account the services rendered by the external auditor and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor;
- review and ratify any interested person transactions;
- review any potential conflict of interest; and
- review the effectiveness of the Company's financial, operational, compliance and information technology controls and risk management policies.

The AC has the power and authority to conduct investigations into any matter within its scope of responsibility. It has full access to and co-operation of Management, full discretion to invite any Director or key management personnel to attend its meetings and reasonable resources to enable it to discharge its functions properly. On an as-and-when-required basis but at least annually, the AC meets with the external auditor without the presence of Management. Such meetings allow the external auditors to raise issues encountered in the course of their work directly to the AC. The external auditor has unrestricted access to the AC. The Company did not engage internal audit services for the year ended 31 December 2017. If appointed, the internal auditor will also have the opportunity to meet up with the AC separately without presence of Management.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the Company's financial statements, advice is sought from the external auditor as and when necessary. The external auditor also updates the AC on development of changes in accounting standards and interpretations at the AC meetings on a half-yearly basis.

The external auditor has presented both its firm-wide Audit Quality Indicators ("AQI") report to the AC, as well as the AQI report specific to the Group. The objectives are to enable the AC to have a better understanding of the external auditor's policies, procedures and processes relating to its system of quality control, and to gain better insight around the quality of the audit and the performance of the audit team. The AC reviewed and was satisfied with the quality and independence of the external auditor. It has also ensured that in appointing the external auditor for the Group, the Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual. The AC has recommended to the Board the nomination of the external auditor for re-appointment.

During the year ended 31 December 2017, the Company engaged the external auditor's Australia counterpart for tax advice and consultation. A breakdown of the fees paid or payable in total for audit and non-audit services respectively is disclosed in Note 8 (Profit before tax) to the Financial Statements. The AC has reviewed the nature and extent of the non-audit services and is of the opinion that such services would not affect the independence and objectivity of the external auditor.

CORPORATE GOVERNANCE REPORT

In the Independent Auditor's Report for the year ended 31 December 2017, the external auditor has highlighted the following key audit matters:

- *Fair valuation of investment property*

Investment property represents a material portion of the Group's non-current assets and total assets as at 31 December 2017. Property valuations inherently require significant judgments and estimates. As such, the AC concurs with the external auditor that this is a key area for audit emphasis.

The Group engaged an accredited external valuer to determine the fair value of the investment property as at 31 December 2017. In its selection of the external valuer, Management considered the expertise and experience of the valuer in the Australia hotel industry and the independence of the valuation firm. As part of its audit procedures, the external auditor evaluated the competence, objectivity and qualifications of the valuation expert, made enquiries on the valuation methodologies, the key inputs used in the valuation and the assumptions applied, and consulted its internal valuation specialist. Based on the degree of scrutiny applied to the valuation process, the AC opined that the valuation had been conducted independently and appropriately.

- *Revenue recognition using percentage of completion method arising from property under development for sale*

Revenue recognised using the percentage of completion ("POC") method forms a significant percentage of the Group's revenue for the year ended 31 December 2017. The POC method requires Management to estimate the total budgeted costs for the project and the amount incurred as at the reporting date. As part of its audit procedures, the external auditor assessed the appropriateness of the recognition method used, reviewed Management's estimates and verified the sales amounts and costs incurred. Having discussed with the external auditor, the AC concurred with the judgements made by Management and was satisfied that revenue was appropriately recognised.

The Company is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraudulent practices. It has in place a whistle-blowing procedure by which staff and external parties may raise, in confidence, any concerns about possible improprieties or malpractice in matters of financial reporting or other matters directly to the CEO or any AC member. The Company will treat all received information confidentially and protect the interest of the whistle-blowers. Anonymous reporting will also be attended to with anonymity honoured.

All reported cases are objectively and thoroughly investigated. Appropriate follow up action and corrective measures are taken when warranted. All whistle-blowing matters are reported to the AC quarterly unless the matter requires the immediate attention of the AC. The AC reviews the whistle-blowing policy and arrangements instituted by the Company. There were no whistle-blowing letters received during the year ended 31 December 2017 and as at the date of this annual report.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

CORPORATE GOVERNANCE REPORT

Principle 13: Internal Audit

The Company does not have an in-house internal audit team, as the complexity and size of the existing operations of the Group does not warrant one. The AC evaluates the need for an internal audit function. If an internal audit is deemed necessary, it will be out-sourced to a reputable accounting/auditing firm or corporation. The AC will approve the appointment and remuneration of the internal auditor, set the internal audit scope, approve the internal audit plans, review the internal audit reports and assess the effectiveness of the internal auditor, such as the quality of its audit report and recommendations. The internal auditor will report directly to the AC chairman. The AC will ensure that the internal audit is carried out according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC will avail itself to the internal auditor and ensure that the internal auditor has unfettered access to all the Company's documents and records and the full co-operation of Management. There was no internal audit performed for the year ended 31 December 2017.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

The Company respects the rights of its shareholders and treat all shareholders fairly and equitably. It ensures that shareholders are informed of material changes in the Group or its business through clear and timely disclosure.

Shareholders are given the opportunity to participate effectively in and vote at general meetings of shareholders and they are informed of the rules, including voting rights and procedure that governs such general meetings of shareholders. A shareholder, other than a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50, may appoint up to a maximum of two proxies. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies. Investors who hold ordinary shares through relevant intermediaries but have not been appointed as proxies are also allowed to attend general meetings of shareholders as observers.

Principle 15: Communication with Shareholders

It is the Company's policy to ensure that shareholders, investors and public at large be informed of material and price-sensitive information about the Company in a fair and timely manner. Such information includes the Company's financial performance and major developments that impact the Company. Communication is made through announcements via the SGXNET, press releases and the Company's website at <http://www.singholdings.com>, where an email address is provided for sending queries or furnishing feedback.

The Company does not practise selective disclosure. In the event that unpublished material information is inadvertently disclosed to any selected group, an announcement will be released to the public via the SGXNET as promptly as possible.

The Company engages in regular communications with its shareholders. Queries, feedback and concerns from the shareholders outside of the AGM are handled by the Non-executive Chairman, the CEO and the CFO in consultation with the Board if required. Meeting with institutional and retail investors as well as analysts are arranged upon request.

CORPORATE GOVERNANCE REPORT

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, cash flow, capital requirement, development plans, general business condition and other factors as the Directors may deem appropriate. Notwithstanding the above, the Board aims to declare dividends on an annual basis. Dividend payouts are clearly communicated to shareholders via announcements through the SGXNET.

Principle 16: Conduct of Shareholder Meetings

All shareholders receive the annual report of the Company and the notice of the AGM, which is also published via the SGXNET and advertised on the newspapers. Shareholders are encouraged to attend the AGMs, during which they may raise questions or share their views on the Company's businesses and affairs. They may also interact with the Directors in person before and after the AGMs.

Every matter requiring shareholders' approval is proposed as a separate resolution at general meetings. All the Directors, including the Non-executive Chairman and the respective chairman of the Audit, Nominating and Remuneration Committees, and key management personnel will be present and available to address any relevant queries from the shareholders. The external auditor is also invited to the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report.

Voting in absentia via mail, email, fax or other methods is currently not allowed by the Company's Constitution due to the difficulty in authenticating the identity of the shareholders and the integrity of the information transmitted.

All resolutions put to the vote at a general meeting of the Company shall be voted by way of poll. Shareholders are briefed on the voting procedures at the start of the meeting. An announcement will be made of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The results of the general meeting are also released via the SGXNET.

The Company Secretary prepares detailed minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon request.

SECURITIES TRANSACTIONS

The Company has adopted policies as set out in the SGX-ST Listing Manual with regard to dealings in the Company's shares by Directors and staff. At appropriate times, Directors and staff of the Group are reminded that dealings in the shares of the Company are strictly prohibited during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's full year financial statements, as the case may be, and ending on the date of the announcement of the relevant results. The Company also prohibits Directors and staff to deal in the shares of the Company when they are in possession of unpublished material price sensitive information relating to the shares of the Company. Directors and staff were briefed on the implications of insider trading and are expected to observe the law on insider trading at all times. They are also discouraged from dealing in the Company's shares on short-term considerations.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Except for the 3-year tenancy agreement entered into with Sing Investments & Finance Limited in Year 2016, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, each director or controlling shareholder during the year ended 31 December 2017.

INTERESTED PERSON TRANSACTIONS

All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and commensurate with prevailing market rates and are not prejudicial to the interests of the Group and the minority shareholders.

Other than as disclosed in Note 30 (Related party transactions) to the Financial Statements, there were no interested party transactions entered into during the year ended 31 December 2017 for which disclosure is required under Rule 907 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Sing Holdings Limited (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2017.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Lee Sze Leong	(Non-executive Chairman)
Lee Sze Hao	(Managing Director and Chief Executive Officer)
Ong Loke Min David	
Tan Tong Guan	

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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Lee Sze Leong	2,085,432	2,085,432	141,752,246	141,752,246
Lee Sze Hao	12,419,800	12,419,800	141,752,246	141,752,246
Ong Loke Min David	100,000	300,000	—	—
Tan Tong Guan	—	—	6,060,000	6,225,000

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2018, except for Tan Tong Guan, whose deemed interest in the Company as at 21 January 2018 is 6,780,000 shares.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Lee Sze Leong and Lee Sze Hao are deemed to have interests in shares held by the Company in all of its subsidiaries.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

OPTIONS

No options were issued by the Company or its subsidiaries during the financial year.

As at 31 December 2017, there are no options on the unissued shares of the Company or its subsidiaries which were outstanding.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises three directors:

Tan Tong Guan	(Chairman)
Lee Sze Leong	
Ong Loke Min David	

Based on the Singapore Code of Corporate Governance criteria, a majority, including the Chairman of the AC is independent.

The AC performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, as detailed in the Report on Corporate Governance.

DIRECTORS'
STATEMENT**AUDITOR**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Lee Sze Leong

Director

Lee Sze Hao

Director

Singapore

29 March 2018

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SING HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Sing Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

OPINION

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

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 are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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. For the matters below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S
REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

KEY AUDIT MATTERS (CONTINUED)Fair valuation of investment property

On 16 January 2017, the Group completed its acquisition of Travelodge Docklands, a freehold fourteen-storey hotel, located at 66 Aurora Lane, Docklands in Melbourne, for a total acquisition cost of \$117.9 million including stamp duty. As at 31 December 2017, the fair value of this investment property is \$114.9 million. The investment property represents 96.0% of non-current assets and 19.7% of total assets of the Group, respectively.

The Group engaged an accredited external valuation expert to determine the fair value of the investment property at 31 December 2017. The valuation process involves valuation methods with significant estimates on the underlying assumptions applied. These estimates include capitalisation rate, discount rate and terminal yield.

As part of our audit procedures, we assessed the competence, objectivity and qualifications of the valuation expert. We corresponded with the external valuer to understand the valuation methodologies, the key inputs used in the valuation and the assumptions applied. We have engaged our internal valuation specialist to review the external valuation report. The methodologies were compared against acceptable methodologies used by other valuers. The assumptions were compared to achieved rates and yields of comparable hotel assets. The key inputs were assessed based on historical earnings profile and expected growth.

We also assessed the adequacy of the related disclosures in Notes 3.2(a), 12 and 33(b) of the financial statements.

Revenue recognition using percentage of completion method arising from property under development for sale

The Group has a property under development for sale, for which it applies the percentage of completion (POC) method to recognise revenue and profits for the year. For the year ended 31 December 2017, the Group recognised \$15.6 million of revenue from sale of the development properties recognised on the POC basis. This represents 38% of the group's revenue.

The POC is measured by reference to the proportion of total construction and other related costs incurred for work performed up to 31 December 2017 and the estimated total construction and related costs for the project. Profits are recognised only in respect of finalised sales agreements to the extent of construction progress based on percentage of completion (POC). The POC method involves the use of significant management estimates including total project budgeted costs and incurred costs to date.

As part of our audit procedures, we obtained an understanding of the Group's processes and controls for recognising revenue using POC. We assessed management's estimates in determining the total budgeted cost for the project to contracted agreements. We verified costs incurred to invoiced amounts for work completed up to 31 December 2017. Sales amounts included for POC estimation were verified to sales agreements signed before 31 December 2017. We also checked the arithmetic accuracy of the revenue and profit recognised based on POC computation.

We also assessed the adequacy of the disclosures relating to property under development in Notes 3.2(b), 4 and 15.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Eleanor Lee.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
29 March 2018

CONSOLIDATED INCOME
STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Revenue			
Cost of sales	4	41,248 (24,970)	279,498 (229,727)
Gross profit		16,278	49,771
Other income	5	4,045	2,633
Administrative expenses		(3,056)	(4,280)
Sales and marketing expenses		(1,846)	(3,557)
Other operating expenses	6	(7,054)	(1,583)
Finance costs	7	(2,596)	(171)
Profit before tax	8	5,771	42,813
Income tax expense	9	(1,649)	(7,333)
Profit for the year		4,122	35,480
Attributable to:			
Shareholders of the Company		3,305	26,266
Non-controlling interests		817	9,214
		4,122	35,480
Earnings per share attributable to shareholders of the Company, basic and diluted (cents per share)	10	0.82	6.55

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 \$'000	2016 \$'000
Profit for the year	4,122	35,480
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Net fair value gain/(loss) on investment in quoted equity shares classified as available-for-sale	1,066	(125)
Foreign currency translation	(788)	–
Total comprehensive income for the year	4,400	35,355
Total comprehensive income attributable to:		
Shareholders of the Company	3,583	26,141
Non-controlling interests	817	9,214
	4,400	35,355

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE
SHEETS

AS AT 31 DECEMBER 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current assets					
Property, plant and equipment	11	330	510	330	510
Investment property	12	114,851	–	–	–
Investment in subsidiaries and trusts	13	–	–	36,746	37,301
Investment in quoted equity shares	14	4,410	3,344	4,410	3,344
Loans to subsidiaries	25	–	–	97,304	41,644
Deferred tax assets	27	–	249	–	–
		119,591	4,103	138,790	82,799
Current assets					
Property under development for sale	15	299,455	295,915	–	–
Completed properties for sale	16	24,268	114,769	24,268	25,672
Investment in quoted equity shares	14	4,036	2,612	4,036	2,612
Trade receivables	17	26,086	36,619	845	853
Deposits and other receivables	18	252	5,706	172	5,673
Prepayments		81	97	17	21
Loans to subsidiaries	25	–	–	–	60,035
Advance to non-controlling shareholder of a subsidiary	26	1,140	–	–	–
Amounts due from subsidiaries	19	–	–	800	15,259
Cash and cash equivalents	20	108,828	53,366	91,754	43,766
		464,146	509,084	121,892	153,891
Current liabilities					
Trade and other payables	21	18,412	11,067	997	2,351
Advance from a subsidiary	24(i)	–	–	2,660	–
Provision for taxation		611	10,760	–	–
		19,023	21,827	3,657	2,351
Net current assets		445,123	487,257	118,235	151,540
Non-current liabilities					
Loan from a subsidiary	24(ii)	–	–	2,022	2,024
Trade and other payables	21	94	172	94	172
Interest-bearing bank loans	22	274,463	200,970	–	–
Loans from non-controlling shareholder of a subsidiary	23	29,841	25,532	–	–
Deferred tax liabilities	27	470	40	–	–
		304,868	226,714	2,116	2,196
Net assets		259,846	264,646	254,909	232,143
Equity attributable to shareholders of the Company					
Share capital	28	104,951	104,951	104,951	104,951
Reserves	29	149,798	151,729	149,958	127,192
		254,749	256,680	254,909	232,143
Non-controlling interests		5,097	7,966	–	–
Total equity		259,846	264,646	254,909	232,143

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to shareholders of the Company						
		Non-distributable			Distributable			
		Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Revenue reserve		Non-controlling interests	Total equity
Note		(Note 28)	(Note 29)	(Note 29)	(Note 29)	Total		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
At 1 January 2017		104,951	263	–	151,466	256,680	7,966	264,646
Profit for the year		–	–	–	3,305	3,305	817	4,122
<u>Other comprehensive income/(loss) for the year</u>								
Net fair value gain on investment in quoted equity shares classified as available-for-sale		–	1,066	–	–	1,066	–	1,066
Foreign currency translation		–	–	(788)	–	(788)	–	(788)
Total comprehensive income/(loss) for the year		–	1,066	(788)	3,305	3,583	817	4,400
Deemed capital contribution arising from interest-free loans from non-controlling shareholder of a subsidiary		–	–	–	–	–	214	214
Dividends paid to non-controlling shareholder of a subsidiary		–	–	–	–	–	(3,900)	(3,900)
Dividends on ordinary shares	37	–	–	–	(5,514)	(5,514)	–	(5,514)
At 31 December 2017		104,951	1,329	(788)	149,257	254,749	5,097	259,846

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Group	Note	Attributable to shareholders of the Company					
		Non-distributable		Distributable		Non-controlling interests	Total equity
		Share capital	Fair value	Revenue reserve	Total		
			adjustment				
			reserve				
(Note 28)	(Note 29)	(Note 29)					
		\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2016		104,951	388	130,212	235,551	9,824	245,375
Profit for the year		–	–	26,266	26,266	9,214	35,480
Other comprehensive loss for the year							
Net fair value loss on investment in quoted equity shares classified as available-for-sale		–	(125)	–	(125)	–	(125)
Total comprehensive (loss)/income for the year		–	(125)	26,266	26,141	9,214	35,355
Distribution to non-controlling shareholder of a subsidiary upon winding-up		–	–	–	–	(5,487)	(5,487)
Deemed capital contribution arising from interest-free loans from non-controlling shareholder of a subsidiary		–	–	–	–	1,795	1,795
Capital injection by non-controlling shareholder of a subsidiary		–	–	–	–	1,200	1,200
Dividends paid to non-controlling shareholder of a subsidiary		–	–	–	–	(8,580)	(8,580)
Dividends on ordinary shares	37	–	–	(5,012)	(5,012)	–	(5,012)
At 31 December 2016		104,951	263	151,466	256,680	7,966	264,646

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Non-distributable	Distributable	
		Share capital	Fair value adjustment reserve	Revenue reserve
	Note	(Note 28)	(Note 29)	(Note 29)
		\$'000	\$'000	\$'000
				Total \$'000
Company				
At 1 January 2017		104,951	263	126,929
Profit for the year		–	–	27,214
Other comprehensive income for the year				27,214
Net fair value gain on investment				
in quoted equity shares classified				
as available-for-sale		–	1,066	–
Total comprehensive income for the year		–	1,066	27,214
Dividends on ordinary shares	37	–	–	(5,514)
At 31 December 2017		104,951	1,329	148,629
At 1 January 2016		104,951	388	110,178
Profit for the year		–	–	21,763
Other comprehensive loss for the year				21,763
Net fair value loss on investment				
in quoted equity shares classified				
as available-for-sale		–	(125)	–
Total comprehensive (loss)/income		–	(125)	21,763
for the year		–	–	(5,012)
Dividends on ordinary shares	37	–	–	(5,012)
At 31 December 2016		104,951	263	126,929

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Profit before tax		5,771	42,813
Adjustments for:			
Depreciation of property, plant and equipment	11	182	183
Interest expense	7	2,596	171
Interest income		(788)	(520)
Profit on sale of properties		(9,408)	(49,771)
Dividend income from investment in quoted equity shares classified as available-for-sale	5	(142)	(141)
Dividend income from investment in quoted equity shares classified as held for trading	5	(138)	(66)
Loss on winding-up of subsidiary		–	1
Loss on disposal of a subsidiary	13	3,096	–
Fair value gain on quoted equity shares classified as held for trading	5	(636)	(226)
Net loss on fair value adjustment of investment property	6	3,047	–
Foreign exchange gain	5	(975)	–
Operating cash flows before changes in working capital		2,605	(7,556)
Changes in working capital:			
Trade receivables		141	(6)
Deposits and other receivables		(39)	172
Prepayments		(15)	(38)
Trade and other payables		(3,811)	1,811
Proceeds from sale of properties		90,482	264,466
Development expenditure on properties developed for sale		(22,851)	(313,420)
Net cash generated from/(used in) operations		66,512	(54,571)
Interest received		683	517
Interest paid		(6,349)	(224)
Income tax paid		(10,404)	(412)
Net cash flows generated from/(used in) operating activities		50,442	(54,690)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from investing activities			
Acquisition of investment property		(113,116)	–
Deposit placed for acquisition of investment property		–	(5,577)
Purchase of quoted equity shares classified as available-for-sale		–	(27)
Purchase of quoted equity shares classified as held for trading		(788)	(1,371)
Purchase of property, plant and equipment	11	(2)	(1)
Dividends received		280	207
Net cash outflow from winding-up of subsidiary		–	(1)
Net cash inflow on disposal of a subsidiary	13	50,670	–
Net cash flows used in investing activities		(62,956)	(6,770)
Cash flows from financing activities			
Proceeds from bank loans		135,839	200,970
Repayment of bank loans		(61,378)	(110,160)
Loans from non-controlling shareholder of a subsidiary		4,069	27,221
Repayment of loans from non-controlling shareholder of a subsidiary		–	(15,705)
Proceeds from capital injection from non-controlling shareholder of a subsidiary		–	1,200
Distribution to non-controlling shareholder upon winding-up of a subsidiary		–	(5,487)
Advance to non-controlling shareholder of a subsidiary		(1,140)	–
Dividends paid on ordinary shares	37	(5,514)	(5,012)
Dividends paid to non-controlling shareholder of a subsidiary		(3,900)	(8,580)
Net cash flows generated from financing activities		67,976	84,447
Net increase in cash and cash equivalents		55,462	22,987
Cash and cash equivalents at 1 January		53,366	30,379
Cash and cash equivalents at 31 December	20	108,828	53,366

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. CORPORATE INFORMATION

Sing Holdings Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office and principal place of business of the Company is located at 96 Robinson Road, #10-01, SIF Building, Singapore 068899.

The principal activities of the Company are those relating to investment holding and property development. The principal activities of the subsidiaries are set out in Note 13. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000).

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the impact on adoption of the SFRS(I) 9, SFRS(I) 15 and SFRS(I) 16, the Group expects that adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS(I) 9, SFRS(I) 15 and SFRS(I) 16 will be similar to the impact on adoption of FRS 109, FRS 115 and FRS 116 as disclosed in Note 2.3.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017, including the Amendments to FRS 7 *Disclosure Initiative*. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
INT FRS 112 <i>Foreign Currency Transactions and Advance Considerations</i>	1 January 2018
INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Improvements to FRSs (March 2018)	
– Amendments to FRS 103 <i>Business Combinations</i>	1 January 2019
– Amendments to FRS 111 <i>Joint Arrangements</i>	1 January 2019
– Amendments to FRS 12 <i>Income Taxes</i>	1 January 2019
– Amendments to FRS 23 <i>Borrowing Costs</i>	1 January 2019

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 January 2018. Upon adoption of SFRS(I) on 1 January 2018, the SFRS(I) equivalent of the above standards that are effective on 1 January 2018 will be adopted at the same time.

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 9, FRS 15 and FRS 16 are described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group will adopt the new standard on the required effective date without restating prior periods' information and will recognise any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

(a) *Classification and measurement*

For equity securities, the Group will continue to measure its held-for-trading equity securities at fair value through profit and loss (FVTPL) and its available-for-sale equity securities at fair value through other comprehensive income (FVOCI). The Group will elect for FVOCI for its available-for-sale equity securities. Accordingly, it does not expect any significant impact on its financial statements, given that there are no changes in its classification and measurement of financial instruments.

(b) *Impairment*

FRS 109 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect any significant impact on its loans and receivables, but will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact. The Group does not expect significant impact from this change.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

(a) *Properties for sale*

The Group is in the business of developing residential, commercial and industrial properties. The Group currently recognises revenue from the sale of property under development using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser, otherwise, the completed contract method was used. Under FRS 115, for its on-going residential developments, performance obligations for the sale of property under development are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date.

Accordingly, the Group has assessed that for the private residential development, performance obligations for the sale of pre-completed units will be satisfied over time. The performance obligation for executive condominium (EC) projects, if any, will be satisfied upon serving the notice of handover to purchasers. The sale of completed units is recognised based on finalised sales agreements.

The sale of pre-completed units of the Group's private condominium development has been recognised on a percentage of completion method. Accordingly, the Group does not expect any significant impact to arise from the adoption of FRS 115.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

FRS 115 *Revenue from Contracts with Customers* (Continued)

(b) *Sales commissions paid and other marketing costs on the sale of real estate units*

The Group pays sales commissions to agents and other marketing costs on the sale of real estate units. Under the current standard, such expenses are expensed when incurred. Under FRS 115, sales commissions to agents and other marketing costs will be capitalised as incremental costs to obtain a contract with a customer if these costs are recoverable. The Group does not expect a significant impact from this change.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase of total assets and total liabilities, EBITDA and gearing ratio.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 BASIS OF CONSOLIDATION (CONTINUED)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.5 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 FOREIGN CURRENCY

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Renovation	3 years
Furniture and fittings	10 years
Office equipment	5 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 INVESTMENT PROPERTY

Investment property is property that is either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprises completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating leases is classified as investment property when the definition of an investment property is met.

Investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values of investment property is included in profit or loss in the year in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 SUBSIDIARIES AND SUBSIDIARY TRUSTS

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries and trusts are accounted for at cost less any impairment losses.

2.11 FINANCIAL INSTRUMENTS

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) *Financial assets (Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised. Financial assets whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (CONTINUED)

(a) *Financial assets (Continued)*

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 COMPLETED PROPERTIES FOR SALE

Completed properties for sale are held with the intention of sale in the ordinary course of business. Properties under development are considered complete on the date of issue of the Temporary Occupation Permit.

Completed properties for sale are stated at the lower of cost and net realisable value. Land, related acquisition expenses, development expenditure, interest and other related expenditure are capitalised as part of the cost of completed properties for sale. Interest will cease to be capitalised upon issuance of the Temporary Occupation Permit.

Where necessary, a write-down is made to adjust the carrying value of the completed properties for sale to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 PROPERTY UNDER DEVELOPMENT FOR SALE

Property under development for sale is property being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Property under development for sale is held as inventories and is measured at the lower of cost and net realisable value.

Land and related acquisition expenses, development expenditure incurred to date, interest and other related expenditure are capitalised as part of the costs of property under development for sale.

Non-refundable commissions paid to sales or marketing agents on the sale of property under development are capitalised and amortised to profit or loss as the Group expects to recognise the related revenue.

Allowance for foreseeable losses on property under development for sale is made when it is anticipated that the net realisable value has fallen below cost. Net realisable value of property under development for sale is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Property under development of the Group that is within the scope as described in INT FRS 115 Agreement for the Construction of Real Estates is stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Revenue for sales of such property under development units is recognised based on percentage of completion method. Profits are recognised only in respect of finalised sales agreements and to the extent that such profits relate to the progress of the construction work. The progress of construction work is measured by the proportion of the construction and related costs incurred to the end of the reporting period to the estimated total construction and related costs for the project.

Property under development of the Group in relation to projects outside the scope of INT FRS 115 (i.e. executive condominium projects), is stated at the lower of cost and estimated net realisable value. Revenue is recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the units are ready for delivery to the purchasers. Progress payments received from purchasers of such units are classified as deferred revenue in the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 BORROWING COSTS

Borrowing costs on interest-bearing bank loans and imputed interest expense on loans from non-controlling shareholder of a subsidiary are recognised in profit or loss except to the extent that they are capitalised. Such borrowing costs, including imputed interest expense, are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset comprising the Group's property under development for sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.18 EMPLOYEE BENEFITS

(a) *Defined contribution plans*

The Group makes contributions to the Central Provident Fund scheme ("CPF"), a defined contribution pension scheme in Singapore. Contributions to CPF are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 LEASES

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2.20(c).

2.20 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of completed properties

Revenue in relation to completed property units of executive condominium is recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the completed property units are ready for delivery to the purchasers.

In all other instances, revenue from sale of completed properties for sale, is recognised when the sales and purchase agreement is signed and all risks and rewards are transferred to the purchaser.

(b) Sale of property under development

The accounting policy for revenue recognition for sale of property under development is set out in Note 2.15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 REVENUE (CONTINUED)

(c) *Rental income*

Rental income arising on completed properties for sale is accounted for on a straight-line basis over the lease terms. Rental income arising from operating leases on investment property is recognised using basis that is representative of the pattern of benefits to be derived from leased asset over the lease terms.

The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

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

2.21 TAXES

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 TAXES (CONTINUED)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 SHARE CAPITAL AND SHARE ISSUE EXPENSES

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 JUDGMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes, deferred taxes and other indirect taxes

Significant judgment is involved in determining the Group-wide provision for taxation. This includes the ability to meet applicable conditions for tax exemptions and/or reduced tax rates. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's provision for taxation and deferred tax liabilities at the end of the reporting period were \$611,000 (2016: \$10,760,000) and \$470,000 (2016: \$40,000) respectively. The carrying amount of the Company's tax recoverable at the end of the reporting period was \$Nil (2016: \$17,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.1 JUDGMENTS MADE IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Income taxes, deferred taxes and other indirect taxes (Continued)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets previously recognised can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing completed properties.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised. Deferred tax assets of \$ Nil (2016: \$249,000) was recognised at the end of the reporting period.

The unrecognised tax losses as at 31 December 2017 was \$2,230,000 (2016: \$2,790,000). If the Group was able to recognise deferred tax assets on all unrecognised tax losses, profit for the year would increase by approximately \$379,000 (2016: \$474,000).

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Revaluation of investment property

The Group carries its investment property at fair value, with changes in fair values being recognised in profit or loss. The Group engaged accredited external valuation expert to assess fair value as at 31 December 2017. The fair value of investment property is determined using recognised valuation methods. These methods comprise the capitalisation method, discounted cash flow method and sales comparison method. The key assumptions used to determine the fair value of the investment property and sensitivity analysis are provided in Notes 12 and 33.

The carrying amount of the investment property carried at fair value as at 31 December 2017 is \$114,851,000 (2016: \$ Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) *Revenue recognition on property under development*

For revenue recognised based on the percentage of completion method, the stage of completion is measured in accordance with the accounting policy stated in Note 2.15. Significant estimation is required in determining the percentage of completion, the expected total contract costs and the profitability of the contract. In making these assessments, the Group relies on best estimates of project costs, taking into account total committed development costs, signed sales contracts and development costs incurred to date certified by consultants. The revenue recognised is as disclosed in Note 4.

(c) *Determination of net realisable values for completed properties for sale*

Completed properties for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The determination of the estimated net realisable value of these completed properties is critically dependent on the Group's expectations of future selling prices. The Group estimated net realisable values at balance sheet date using achieved selling prices for the related property development. An independent desktop market value report was obtained from an accredited valuer to support the assessment.

The carrying amount of the Group's completed properties for sale at the end of the reporting period is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(d) *Determination of net realisable values for property under development*

Property under development is property acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Property under development for sale is stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. The cost of property under development for sale includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

Where the estimated net realisable value is below cost, foreseeable losses are provided for. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Estimated selling price is based on actual sale proceeds for units sold and the estimated market price for the remaining units unsold at the end of the reporting period. The carrying amount of the Group's property under development for sale at the end of the reporting period is disclosed in Note 15.

4. REVENUE

	Group	
	2017 \$'000	2016 \$'000
Sale of completed residential properties	16,253	277,357
Sale of completed industrial property	2,533	2,141
Sale of residential property under development	15,592	–
Rental income from investment property	6,870	–
	41,248	279,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. OTHER INCOME

	Group	
	2017 \$'000	2016 \$'000
Property management fee from completed properties for sale	77	82
Rental income from completed properties for sale	1,246	1,364
Dividend income from investment in quoted equity shares classified as available-for-sale	142	141
Dividend income from investment in quoted equity shares classified as held for trading	138	66
Interest income from:		
– fixed deposits	750	434
– late payment from tenants and purchasers	38	86
Fair value gain on quoted equity shares classified as held for trading	636	226
Forfeiture of option money	34	231
Foreign exchange gain	975	–
Others	9	3
	4,045	2,633

6. OTHER OPERATING EXPENSES

The following items have been included in arriving at other operating expenses:

		Group	
	Note	2017 \$'000	2016 \$'000
Maintenance contribution		137	448
Property tax		235	511
Professional fees		47	347
Depreciation of property, plant and equipment	11	182	183
Net loss on fair value adjustment of investment property	12	3,047	–
Loss on disposal of subsidiary	13	3,096	–

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7. FINANCE COSTS

	Group	
	2017 \$'000	2016 \$'000
Interest expense on bank loans	6,464	209
Imputed interest expense on loans from non-controlling shareholder of a subsidiary	455	106
	6,919	315
Less: Interest expense capitalised in property under development for sale	(4,323)	(144)
Finance costs recognised in profit or loss	2,596	171

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group	
		2017 \$'000	2016 \$'000
Audit fees paid to:			
– Auditors of the Company		100	91
– A member firm of the auditor of the Company		28	–
Non-audit fees paid to a member firm of the auditor of the Company		29	42
Staff costs (including directors' remuneration)			
– salaries, wages and bonuses		2,006	3,491
– contributions to defined contribution plans		114	141
– other personnel expenses		22	45
Operating lease expense	31(b)	203	235
Write-down of completed properties for sale to net realisable value	16	–	3,400

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2017 and 2016 are:

	Group	
	2017 \$'000	2016 \$'000
Current income tax		
– Current income taxation	1,300	10,760
– Overprovision in respect of previous years	(330)	(17)
	970	10,743
Deferred income tax		
– Origination and reversal of temporary differences	430	(3,410)
– Underprovision in respect of previous year	249	–
	679	(3,410)
Income tax expense recognised in profit or loss	1,649	7,333

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Group	
	2017 \$'000	2016 \$'000
Accounting profit before tax	5,771	42,813
Tax expense at statutory rate of 17% (2016: 17%)	863	7,278
Tax expense at the domestic rates applicable to profit in the country where the Group operates	209	–
Income not subject to taxation	(320)	(283)
Non-deductible expenses	1,755	91
Overprovision in respect of previous years	(81)	(17)
Effect of partial tax exemption and tax relief	(684)	(23)
Deferred tax assets not recognised	–	283
Benefits from previously unrecognised tax losses	(95)	–
Others	2	4
Income tax expense recognised in profit or loss	1,649	7,333

The Company and its subsidiary companies incorporated in Singapore are subject to income tax at the statutory tax rate of 17% for the financial years ended 31 December 2017 and 2016. The beneficiaries of the subsidiary trusts incorporated in Australia are subject to withholding tax at a concessionary tax rate of 15% for the financial year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing profit for the year attributable to shareholders of the Company of \$3,305,000 (2016: \$26,266,000) by the weighted average number of ordinary shares outstanding during the financial year of 400,994,652 (2016: 400,994,652) shares.

Diluted earnings per share are the same as basic earnings per share as there are no dilutive potential ordinary shares.

11. PROPERTY, PLANT AND EQUIPMENT

	Renovation \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Group and Company					
Cost					
At 1 January 2016	261	33	30	874	1,198
Additions	–	–	1	–	1
At 31 December 2016 and 1 January 2017	261	33	31	874	1,199
Additions	–	–	2	–	2
At 31 December 2017	261	33	33	874	1,201
Accumulated depreciation					
At 1 January 2016	261	25	19	201	506
Depreciation charge for the year	–	3	5	175	183
At 31 December 2016 and 1 January 2017	261	28	24	376	689
Depreciation charge for the year	–	4	4	174	182
At 31 December 2017	261	32	28	550	871
Net carrying amount					
At 31 December 2016	–	5	7	498	510
At 31 December 2017	–	1	5	324	330

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. INVESTMENT PROPERTY

	Group 2017 \$'000
Balance sheet:	
At 1 January	–
Additions	118,693
Net loss on fair value adjustment recognised to profit or loss	(3,047)
Exchange differences	(795)
At 31 December	<u>114,851</u>
Income statement:	
Rental income from investment property:	
– Minimum lease payments	1,475
– Contingent rent	5,395
	<u>6,870</u>
Direct operating expenses	<u>(109)</u>

The investment property is leased to a single tenant under an operating lease arrangement.

The Group has no restrictions on the realisability of its investment property and no contractual obligations for repair, maintenance or enhancements.

Valuation of investment property

Investment property is stated at fair value which has been determined based on a valuation performed as at 31 December 2017. The valuation was performed by an independent accredited appraiser with relevant experiences. Details of valuation techniques and inputs used are disclosed in Note 33(b)(ii).

The investment property held by the Group as at 31 December 2017 is as follows:

<u>Description and Location</u>	<u>Existing Use</u>	<u>Tenure</u>
14-storey hotel, Travelodge Docklands, located at 66 Aurora Lane, Docklands, Melbourne	Limited service hotel	Freehold

The investment property is mortgaged to secure interest-bearing bank loans (Note 22).

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS

	Company	
	2017	2016
	\$'000	\$'000
Unquoted equity shares, at cost	36,444	40,562
Unquoted units in subsidiary trusts	5,147	—
Deemed equity contribution to subsidiaries	6,938	8,522
Impairment losses	(11,783)	(11,783)
	36,746	37,301

(A) COMPOSITION OF THE GROUP

The Group has the following investments in subsidiaries.

Subsidiaries (country of incorporation and place of business)	Principal activities	Cost		Proportion (%) of ownership interest	
		2017 \$'000	2016 \$'000	2017 %	2016 %
Held by the Company:					
Sing Bullion and Futures Pte Ltd (Singapore)	Dormant	2,050	2,050	100	100
Sing Development (Private) Limited (Singapore)	Investment holding	33,694	33,694	100	100
Robin Residences Pte. Ltd. (formerly known as Sing Holdings (Robin) Pte. Ltd.) (Singapore)	Property development	—*	4,118	—*	100
Sing Holdings (Docklands) Pte. Ltd. (Singapore)	Investment holding	—**	—* *	100	100
Coral Edge Development Pte. Ltd. (Singapore)	Property development	700	700	70	70
		36,444	40,562		
Held through a subsidiary:					
Fernvale Green Pte. Ltd. (Singapore)	Property development	2,800	2,800	70	70

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(A) COMPOSITION OF THE GROUP (CONTINUED)

In addition, the Group is the beneficiary of the following trusts:

Trusts (country of incorporation and place of business)	Principal activities	Cost		Proportion (%) of ownership interest	
		2017 \$'000	2016 \$'000	2017 %	2016 %
<i>Held by the Company and held through a subsidiary:</i>					
Travel Holding Trust ⁽¹⁾ (Australia)	Investment holding	52,316	— ***	100****	100
<i>Held through Travel Holding Trust:</i>					
Travel Trust No.1 ⁽¹⁾ (Australia)	Hotel investment	49,304	— ***	100	100

All subsidiaries are audited by Ernst & Young LLP, Singapore except as indicated.

⁽¹⁾ Audited by a member firm of EY Global.

* Disposed in September 2017.

** Cost of investment was \$100.

*** Cost of investment was \$10.

**** 1 out of 49,353,001 trust units is held by a Director of the Company to meet the requirements for a concessionary withholding tax rate in Australia.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(A) COMPOSITION OF THE GROUP (CONTINUED)

Disposal of a subsidiary

The effects of the disposal of a subsidiary at the date of disposal were as follows:

	Group 2017 \$'000
Completed properties for sale	51,480
Other assets	3,789
	55,269
Total liabilities	(29,309)
Carrying value of net assets	25,960
Cash consideration received	51,286
Expenses incurred in relation to disposal	(578)
Cash and cash equivalents of the subsidiary	(38)
Net cash inflow on disposal of a subsidiary	50,670

The loss on disposal attributable to measuring the retained interest amounted to \$3,096,000 was included in other operating expenses in profit or loss.

(B) INTEREST IN SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group. The principal place of business of the subsidiaries is in Singapore.

Name of subsidiaries	Proportion of ownership interest held by NCI		Profit allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period		Dividends paid to NCI	
	%		\$'000		\$'000		\$'000	
	2017	2016	2017	2016	2017	2016	2017	2016
Fernvale Green Pte. Ltd.	30	30	707	–	3,916	2,995	–	–
Coral Edge Development Pte. Ltd.	30	30	110	9,214	1,181	4,971	3,900	8,580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(C) SUMMARISED FINANCIAL INFORMATION ABOUT SUBSIDIARIES WITH MATERIAL NCI

Summarised financial information before intercompany eliminations of subsidiaries with material NCI are as follows:

Summarised balance sheets

	Fernvale Green Pte. Ltd.		Coral Edge Development Pte. Ltd.	
	As at 31 December 2017 \$'000	As at 31 December 2016 \$'000	As at 31 December 2017 \$'000	As at 31 December 2016 \$'000
Current				
Assets	341,300	296,171	4,117	29,717
Liabilities	(17,742)	(112)	(178)	(13,105)
Net current assets	323,558	296,059	3,939	16,612
Non-current				
Assets	–	–	–	–
Liabilities	(310,503)	(286,076)	–	(40)
Net non-current liabilities	(310,503)	(286,076)	–	(40)
Net assets	13,055	9,983	3,939	16,572

Summarised income statement and statement of comprehensive income

	Fernvale Green Pte. Ltd.		Coral Edge Development Pte. Ltd.	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Revenue	15,592	–	1,633	224,094
Profit before income tax	2,827	–	345	37,295
Income tax expense	(470)	–	22	(6,580)
Profit for the year, representing total comprehensive income for the year	2,357	–	367	30,715

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. INVESTMENT IN SUBSIDIARIES AND TRUSTS (CONTINUED)

(C) SUMMARISED FINANCIAL INFORMATION ABOUT SUBSIDIARIES WITH MATERIAL NCI (CONTINUED)

Summarised cash flows

	Fernvale Green Pte. Ltd.		Coral Edge Development Pte. Ltd.	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net cash flows (used in)/generated from operating activities	(7,370)	(295,751)	8,872	152,070
Net cash flows generated from/ (used in) financing activities	23,156	295,761	(16,800)	(164,872)
Net increase/(decrease) in cash and cash equivalents	15,786	10	(7,928)	(12,802)

14. INVESTMENT IN QUOTED EQUITY SHARES

	Group and Company	
	2017 \$'000	2016 \$'000
Current		
<i>Held for trading investments</i>		
Quoted equity shares	4,036	2,612
Non-current		
<i>Available-for-sale financial assets</i>		
Quoted equity shares in an affiliated company	4,410	3,344

An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

15. PROPERTY UNDER DEVELOPMENT FOR SALE

	Group	
	2017 \$'000	2016 \$'000
Land cost, development and other expenditures and recognised profits to-date	339,171	295,915
Less: Progress payments received and receivable	(39,716)	–
	299,455	295,915

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

15. PROPERTY UNDER DEVELOPMENT FOR SALE (CONTINUED)

In the previous financial year, the Group, through its 70% subsidiary, Fernvale Green Pte. Ltd. acquired a leasehold land parcel in Singapore to undertake a condominium development.

The acquisition of the above land was funded by capital and loans from shareholders of Fernvale Green Pte. Ltd. as well as a bank loan. The property under development was mortgaged to a financial institution as security for the interest-bearing bank loans (Note 22).

During the financial year, the Group capitalised interest arising from the bank loans and imputed interest expense arising from the non-controlling shareholder's loan, amounting to \$3,868,000 (2016: \$38,000) and \$455,000 (2016: \$106,000) respectively.

Details of property under development as at 31 December 2017 are as follows:

Name and location	Effective Group interest	Tenure	Descriptions	Approximate site area/ [gross floor area] (square metres)	Stage of completion [Expected date of completion]
"Parc Botannia" Fernvale Street/ Fernvale Road Singapore	70% (2016: 70%)	99-year leasehold	Proposed 4 blocks of 22-storey condominium housing development with swimming pool, tennis court, gymnasium, childcare centre and car park	17,196/ [51,588]	8% [2020]

16. COMPLETED PROPERTIES FOR SALE

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance sheet:				
Completed properties for sale, at cost	24,268	118,169	24,268	25,672
Write-down to net realisable value	—	(3,400)	—	—
	24,268	114,769	24,268	25,672
Income statement:				
Recognised as an expense in cost of sales	1,404	229,727	1,404	1,186
Inclusive of the following charge:				
– Write-down of completed properties for sale to net realisable value	—	3,400	—	—

The completed properties for sale were mortgaged to financial institutions for bank loans, which have been fully settled at the end of the reporting period.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. COMPLETED PROPERTIES FOR SALE (CONTINUED)

Details of completed properties for sale as at 31 December 2017 are as follows:

Name and location	Number of units [Approximate floor area in square metres]		Effective Group interest	Tenure	Descriptions
	2017	2016			
<i>Industrial property</i>					
“BizTech Centre” 627A Aljunied Road Singapore	44 [4,216]	46 [4,460]	100%	Freehold	10-storey multi-use light industrial factory
<i>Residential properties</i>					
“Robin Residences” Robin Road/Robin Drive Singapore	–	34 [4,174]	100%	Freehold	5 blocks of 5-storey condominium housing development with swimming pool, tennis court, gymnasium and car park
“Waterwoods” Punggol Field Walk/Punggol East Singapore	–	2 [194]	70%	99-year leasehold	6 blocks of 17-storey executive condominium with swimming pool, tennis court, gymnasium and car park

17. TRADE RECEIVABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade receivables	26,086	33,999	845	853
Unbilled receivables	–	2,620	–	–
	26,086	36,619	845	853

Trade receivables are generally on 7 to 14 days terms. They are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

Unbilled receivables relate to remaining amounts to be billed on completed properties that have obtained Temporary Occupancy Permit ("TOP") in accordance with the billing milestones stated in the sales agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. TRADE RECEIVABLES (CONTINUED)

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$3,000 (2016: \$4,827,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2017 \$'000	2016 \$'000
Trade receivables past due but not impaired:		
Lesser than 30 days	–	4,109
30 – 60 days	–	109
61 – 90 days	–	–
91 – 120 days	–	–
More than 120 days	3	609
	3	4,827

The Group does not have trade receivables that are impaired at the end of the reporting period.

18. DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Interest receivable	118	18	112	15
Deposits	122	5,667	52	5,637
Other receivables	12	4	8	4
Tax recoverable	–	17	–	17
	252	5,706	172	5,673

In the previous financial year, the Group had placed a deposit of \$5,577,000 for the acquisition of an investment property.

19. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	2,930	3,660	99	1,642
Short-term deposits	105,898	49,706	91,655	42,124
	108,828	53,366	91,754	43,766

Included in cash and cash equivalents are the following:

	Group	
	2017	2016
	\$'000	\$'000
(a) Amounts held under Housing Developers (Project Account) Rules		
Cash at banks	1,673	–
Short-term deposits	8,920	–
	10,593	–

The utilisation of amounts held under Housing Developers (Project Account) Rules is governed by the Housing Developers (Project Account) Rules.

(b) Short-term deposits placed with an affiliated company	56,925	9,442
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An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

Short-term deposits are placed for varying periods of between one week and three months depending on the expected cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates on the short-term deposits approximate 1.1% (2016: 0.8%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current:				
Trade payables	13,042	2,376	91	81
Accrued operating expenses	3,154	461	420	426
Accrued bonus	223	1,589	223	1,589
Other payables	21	1,140	–	–
Interest payable	152	38	–	–
Advance rental payment	44	74	44	74
Deposits received	1,681	878	219	181
Retention sums	95	4,511	–	–
	18,412	11,067	997	2,351
Non-current:				
Tenancy deposits	94	172	94	172
Total trade and other payables	18,506	11,239	1,091	2,523

Trade payables

Trade payables are non-interest bearing and normally settled on 30 days' terms.

Included in the Group's and Company's trade payables (current) is an amount of \$91,000 (2016: \$81,000) which relates to sales tax payable.

Deposits received – current

Deposits received relates mainly to the deposits received from purchasers upon entering into an option to purchase the property units. These options have yet to be exercised at the end of the reporting period.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. INTEREST-BEARING BANK LOANS

	Maturity	Group		Company	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Non-current:					
Loan 1	2020	200,970	200,970	—	—
Loan 2	2020	9,594	—	—	—
Loan 3	2020	46,922	—	—	—
Loan 4	2020	16,977	—	—	—
		274,463	200,970	—	—

During the financial year, these interest-bearing bank loans bear floating interest at rates ranging from 1.7% to 3.4% (2016: 2%) per annum.

Loans 1 and 2

The bank loans are obtained for the purpose of a development properties project and are secured by the following:

- first legal mortgage over Lot 4980T Mk No. 20, located at Fernvale Road, Singapore and the proposed project to be erected thereon;
- assignment of all rights, titles, interest and benefits arising from the development property including proceeds, construction and piling contracts, insurances, performance bonds, leases and tenancies on the related development property;
- deed of subordination in respect of all direct and indirect shareholders' and related company loans; and
- completion undertakings given by shareholders of the subsidiary undertaking the development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. INTEREST-BEARING BANK LOANS (CONTINUED)

Loans 3 and 4

The property loan facility is obtained for the purpose of acquisition of an investment property and is denominated in Australian Dollar. The loan facility is secured by a first registered real property mortgage over the investment property, Travelodge Docklands, a freehold fourteen-storey hotel, located at 66 Aurora Lane, Docklands in Melbourne, and any side agreements entered into that creates a security interest over Travelodge Docklands.

A reconciliation of liabilities arising from financing activities is as follows:–

	Group \$'000
At 1 January 2017	200,970
Cash flows	
Proceeds from bank loans	135,839
Repayment of bank loans	(61,378)
	74,461
Non-cash change	
Foreign exchange movement	(968)
	<u>274,463</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23. LOANS FROM NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

Loans from non-controlling shareholder of a subsidiary are unsecured, interest-free and carried at amortised cost. They are expected to be settled in cash. These loans were obtained to finance a development project. Management expects these to be repaid at the end of the project. The expected repayment period is as disclosed in Note 34(b).

	Group	
	2017 \$'000	2016 \$'000
Notional value	31,290	45,026
Fair value adjustment	(2,010)	(2,506)
	29,280	42,520
Cumulative imputed interest expense recognised	561	817
	29,841	43,337
Less: Repayment to non-controlling shareholder of a subsidiary	–	(17,805)
Amortised cost at 31 December	29,841	25,532
Maturities		
Non-current:		
Later than one year but not later than five years	29,841	25,532
Amortised cost	29,841	25,532

The fair value adjustment relates to the measurement of the loans at fair value at initial recognition taking into account imputed effective interest rates of between 1.72% to 2.0% per annum. The adjustment has been recorded as a deemed equity contribution from non-controlling shareholder. The fair value of the loans recorded upon initial recognition will be accreted back to the notional value through the recognition of imputed interest expense in accordance with the effective interest method.

24. (I) ADVANCE FROM A SUBSIDIARY (CURRENT)

The advance from a subsidiary is unsecured, interest-free and repayable on demand.

(II) LOAN FROM A SUBSIDIARY (NON-CURRENT)

The loan from a subsidiary is unsecured, interest-free, not expected to be repaid within the next 12 months and is expected to be settled in cash. The fair value of the loan at inception is not determinable as the timing of the repayment cannot be estimated reliably. Accordingly, the loan from subsidiary is recorded at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. LOANS TO SUBSIDIARIES

	Company	
	2017 \$'000	2016 \$'000
Notional value	101,034	146,745
Fair value adjustment	(5,278)	(8,522)
	95,756	138,223
Cumulative imputed interest income recognised	1,548	5,001
	97,304	143,224
Less: Repayment of loans by subsidiaries	–	(41,545)
Amortised cost at 31 December	97,304	101,679
Maturities		
Current:		
Not later than one year	–	60,035
Non-current:		
Later than one year but not later than five years	97,304	41,644
Amortised cost	97,304	101,679

These loans to subsidiaries are for property development project and property investment. They are unsecured, interest-free and carried at amortised costs. They are expected to be settled in cash. Management expects these to be repaid at the end of the property development project and at the maturity date of investment property loan facility in Australia, respectively. The expected repayment period is as disclosed in Note 34(b).

The fair value adjustment relates to the measurement of the loans at fair value at initial recognition taking into account imputed effective interest rates of between 1.7% to 2.0% per annum. The adjustment has been recorded as a deemed equity contribution to subsidiaries. The fair value of the loans recorded upon initial recognition will be accreted back to the notional value through the recognition of imputed interest income in accordance with the effective interest method.

26. ADVANCE TO NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The advance to non-controlling shareholder of a subsidiary is unsecured, interest-free and repayable on demand.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets						
Write-down of completed properties for sale to net realisable value	–	249	249	(249)	–	–
Deferred tax liabilities						
Differences in revenue recognition for tax purposes	(470)	(40)	430	(3,161)	–	–
Deferred tax expense/(credit)			679	(3,410)		

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of \$2,230,000 (2016: \$2,790,000) available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to compliance with the relevant provisions of the Income Tax Act of Singapore.

28. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	400,995	104,951	400,995	104,951

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

29. RESERVES

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Fair value adjustment reserve	1,329	263	1,329	263
Foreign currency translation reserve	(788)	–	–	–
Revenue reserve	149,257	151,466	148,629	126,929
	149,798	151,729	149,958	127,192

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

The movement in reserves are set out in the statements of changes in equity.

30. RELATED PARTY TRANSACTIONS

(A) SALE AND PURCHASE OF GOODS AND SERVICES

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

	Group	
	2017	2016
	\$'000	\$'000
Dividend income from an affiliated company	142	141
Fixed deposit interest income from an affiliated company	395	143
Rental paid to an affiliated company	222	254

An affiliated company is defined as a company in which certain directors of the Company have a substantial financial interest.

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	2017	2016
	\$'000	\$'000
Short-term employee benefits	1,597	2,741
Central Provident Fund contributions	64	71
	1,661	2,812

The remuneration of 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 2017

31. LEASE COMMITMENTS**(A) OPERATING LEASE COMMITMENTS – AS LESSOR**

The Group leases out certain of its completed properties for sale under non-cancellable operating leases, which have remaining lease terms of between 1 to 21 months. All leases include a clause to enable revision of the rental charge on a renewal basis based on prevailing market conditions.

Additionally, the Group's investment property is leased to a tenant under a non-cancellable and renewable lease which has a remaining lease term of 30 months expiring on 30 June 2020, with 3 successive renewal terms for a period of 5 years each.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Not later than one year		
– Completed properties	628	1,182
– Investment property	1,475	–
Later than one year but not later than five years		
– Completed properties	27	279
– Investment property	2,213	–
	4,343	1,461

(B) OPERATING LEASE COMMITMENTS – AS LESSEE

The Group has entered into a commercial lease on office space. The lease is for 3 years with a renewal option of 3 years and no contingent rent provision is included in the contract.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2017 amounted to \$203,000 (2016: \$235,000) (Note 8).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Not later than one year	203	203
Later than one year but not later than five years	204	407
	407	610

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

32. FUTURE COMMITMENTS

Commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2017 \$'000	2016 \$'000
Commitments in respect of contracts placed:		
– Property under development for sale	<u>108,237</u>	<u>115,203</u>
Capital commitments in respect of hotel acquisition:		
– Travelodge Docklands	<u>–</u>	<u>105,919</u>

33. FAIR VALUE OF ASSETS AND LIABILITIES

(A) FAIR VALUE HIERARCHY

The Group and the Company categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(B) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
Note	\$'000	\$'000	\$'000	\$'000
2017				
Group				
Non-financial asset				
Investment property	12	—	114,851	114,851
Non-financial asset as at 31 December 2017		—	114,851	114,851
2017				
Group and Company				
Financial assets				
<i>Held for trading financial assets</i>				
Quoted equity shares	14	4,036	—	4,036
<i>Available-for-sale financial assets</i>				
Quoted equity shares in an affiliated company	14	4,410	—	4,410
Financial assets as at 31 December 2017		8,446	—	8,446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(B) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

		Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Total
Note		\$'000	\$'000	\$'000	\$'000
2016					
Group and Company					
Financial assets					
<i>Held for trading financial assets</i>					
Quoted equity shares	14	2,612	–	–	2,612
<i>Available-for-sale financial assets</i>					
Quoted equity shares in an affiliated company	14	3,344	–	–	3,344
Financial assets as at 31 December 2016		<u>5,956</u>	<u>–</u>	<u>–</u>	<u>5,956</u>

Determination of fair value

(i) *Level 1 fair value measurement*

Quoted equity shares (Note 14): Fair value is determined by direct reference to their published market bid price at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(B) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

Determination of fair value (Continued)

(ii) Level 3 fair value measurement

For significant financial reporting valuation using valuation model and significant unobservable inputs, it is the Group's policy to engage external valuation expert who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation. The valuation expert will provide the fair value of the Group's investment property annually. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors in accordance with the Group's reporting policies.

For valuation performed by external valuation expert, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(B) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

Determination of fair value (Continued)

(ii) Level 3 fair value measurement (Continued)

The following table presents the information about fair value measurements using significant unobservable inputs:

<u>Valuation techniques used</u>	<u>Key unobservable inputs</u>	<u>Rate/Range adopted</u>	<u>Inter-relationship between key unobservable inputs and fair value</u>
Capitalisation	Capitalisation rate Occupancy rate	5.5%-8.0% p.a. 91%-95% p.a.	The estimated fair value varies inversely against capitalisation rate and increases with higher occupancy rate.
Discounted cashflow	Discount rate Terminal yield	8.25% p.a. 6.00% p.a.	The estimated fair value varies inversely against discount rate but increases with higher terminal yield.
Sales comparison	Comparable transacted sale price per room	\$350,000 to \$390,000 per room	The estimated fair value increases with higher comparable price.

* p.a. represents per annum

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED

The following table shows an analysis of financial instruments not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using				Carrying amount
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Fair value Total	
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Group					
Financial liabilities					
Trade and other payables (non-current)	–	–	(92)	(92)	(94)
Loans from non-controlling shareholder of a subsidiary	–	–	(28,847)	(28,847)	(29,841)
Company					
Financial assets					
Loans to subsidiaries (non-current)	–	–	94,935	94,935	97,304
Financial liabilities					
Loan from a subsidiary (non-current)	–	–	N.A. ⁽¹⁾	N.A. ⁽¹⁾	(2,022)
Trade and other payables (non-current)	–	–	(92)	(92)	(94)

Determination of fair value

Trade and other payables (non-current) (Note 21) and Loans from non-controlling shareholder of a subsidiary (non-current) (Note 23)

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

⁽¹⁾ Fair value information has not been disclosed for the Company's loan from a subsidiary that is carried at cost because fair value cannot be measured reliably as the timing of the repayment cannot be estimated reliably without incurring excessive cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED (CONTINUED)

	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	Fair value Total	Carrying amount
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Financial liabilities					
Trade and other payables (non-current)	–	–	(166)	(166)	(172)
Loans from non-controlling shareholder of a subsidiary	–	–	(25,426)	(25,426)	(25,532)
Company					
Financial assets					
Loans to subsidiaries (non-current)	–	–	41,472	41,472	41,644
Financial liabilities					
Loan from a subsidiary (non-current)	–	–	N.A. ⁽¹⁾	N.A. ⁽¹⁾	(2,024)
Trade and other payables (non-current)	–	–	(166)	(166)	(172)

⁽¹⁾ Fair value information has not been disclosed for the Company's loan from a subsidiary that is carried at cost because fair value cannot be measured reliably as the timing of the repayment cannot be estimated reliably without incurring excessive cost.

(D) FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE AND WHOSE CARRYING AMOUNTS ARE APPROXIMATION OF FAIR VALUE

Trade receivables (Note 17), Deposits and other receivables (Note 18), Loans to subsidiaries (Note 25), Advance to non-controlling shareholder of a subsidiary (Note 26), Amounts due from subsidiaries (Note 19), Cash and cash equivalents (Note 20), Trade and payables (Note 21), Interest-bearing bank loans (Note 22) and Advance from a subsidiary (Note 24)

The carrying amounts of these financial assets and liabilities are a reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below is an analysis of the carrying amounts of financial instruments by categories as defined in FRS 39 – Financial Instruments: Recognition and Measurement as at 31 December:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<i>Loans and receivables</i>				
Trade receivables	26,086	36,619	845	853
Deposits and other receivables	252	5,689	172	5,656
Amounts due from subsidiaries	–	–	800	15,259
Loans to subsidiaries	–	–	97,304	101,679
Advance to non-controlling shareholder of a subsidiary	1,140	–	–	–
Cash and cash equivalents	108,828	53,366	91,754	43,766
	136,306	95,674	190,875	167,213
<i>Available-for-sale financial assets</i>				
Investment in quoted equity shares	4,410	3,344	4,410	3,344
<i>Held for trading financial assets</i>				
Investment in quoted equity shares	4,036	2,612	4,036	2,612
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables	18,369	11,084	956	2,368
Advance from a subsidiary	–	–	2,660	–
Interest-bearing bank loans	274,463	200,970	–	–
Loans from non-controlling shareholder of a subsidiary	29,841	25,532	–	–
Loan from a subsidiary	–	–	2,022	2,024
	322,673	237,586	5,638	4,392

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(A) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables, quoted equity shares and cash and cash equivalents.

Credit risk arises as the tenants and purchasers of properties may default on their obligations to pay the amounts owing to the Group. The Group requires tenants to place cash deposits equivalent to 3 months' rental upon signing of the lease agreements. The Group entities which develop properties for sale generally have recourse against defaulting purchasers through forfeiture of 20% of purchase price, interest owing on instalments outstanding and re-sale of the re-possessioned properties.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

The Group and Company have no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are mainly parties with good payment track record with the Group and Company. Cash and cash equivalents and quoted equity shares that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(B) LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group 2017				
	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
Investment in quoted equity shares	4,036	–	–	4,410	8,446
Trade receivables	26,086	–	–	–	26,086
Deposits and other receivables	252	–	–	–	252
Advance to non-controlling shareholder of a subsidiary	1,140	–	–	–	1,140
Cash and cash equivalents	108,828	–	–	–	108,828
Total undiscounted financial assets	140,342	–	–	4,410	144,752
Financial liabilities					
Trade and other payables	18,275	36	58	–	18,369
Loans from non-controlling shareholder of a subsidiary	–	–	31,290	–	31,290
Interest-bearing bank loans	–	–	292,344	–	292,344
Total undiscounted financial liabilities	18,275	36	323,692	–	342,003
Total net undiscounted financial assets/(liabilities)	122,067	(36)	(323,692)	4,410	(197,251)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(B) LIQUIDITY RISK (CONTINUED)

	Group 2016				
	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Financial assets					
Investment in quoted equity shares	2,612	–	–	3,344	5,956
Trade receivables	36,619	–	–	–	36,619
Deposits and other receivables	5,689	–	–	–	5,689
Cash and cash equivalents	53,366	–	–	–	53,366
Total undiscounted financial assets	98,286	–	–	3,344	101,630
Financial liabilities					
Trade and other payables	10,912	172	–	–	11,084
Loans from non-controlling shareholder of a subsidiary	–	–	27,221	–	27,221
Interest-bearing bank loans	–	–	214,801	–	214,801
Total undiscounted financial liabilities	10,912	172	242,022	–	253,106
Total net undiscounted financial assets/(liabilities)	87,374	(172)	(242,022)	3,344	(151,476)

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(B) LIQUIDITY RISK (CONTINUED)

	Company 2017				Total \$'000
	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	More than 5 years \$'000	
Financial assets					
Investment in quoted equity shares	4,036	–	–	4,410	8,446
Trade receivables	845	–	–	–	845
Deposits and other receivables	172	–	–	–	172
Amounts due from subsidiaries	800	–	–	–	800
Loans to subsidiaries	–	–	101,034	–	101,034
Cash and cash equivalents	91,754	–	–	–	91,754
Total undiscounted financial assets	<u>97,607</u>	<u>–</u>	<u>101,034</u>	<u>4,410</u>	<u>203,051</u>
Financial liabilities					
Trade and other payables	862	36	58	–	956
Advance from a subsidiary	2,660	–	–	–	2,660
Loan from a subsidiary	–	–	–	2,022*	2,022
Total undiscounted financial liabilities	<u>3,522</u>	<u>36</u>	<u>58</u>	<u>2,022</u>	<u>5,638</u>
Total net undiscounted financial assets/(liabilities)	<u>94,085</u>	<u>(36)</u>	<u>100,976</u>	<u>2,388</u>	<u>197,413</u>

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 24)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(B) LIQUIDITY RISK (CONTINUED)

	Company 2016				Total \$'000
	Less than 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	More than 5 years \$'000	
Financial assets					
Investment in quoted equity shares	2,612	–	–	3,344	5,956
Trade receivables	853	–	–	–	853
Deposits and other receivables	5,656	–	–	–	5,656
Amounts due from subsidiaries	15,259	–	–	–	15,259
Loan to subsidiaries	60,800	–	44,400	–	105,200
Cash and cash equivalents	43,766	–	–	–	43,766
Total undiscounted financial assets	<u>128,946</u>	<u>–</u>	<u>44,400</u>	<u>3,344</u>	<u>176,690</u>
Financial liabilities					
Trade and other payables	2,196	172	–	–	2,368
Loan from a subsidiary	–	–	–	2,024*	2,024
Total undiscounted financial liabilities	<u>2,196</u>	<u>172</u>	<u>–</u>	<u>2,024</u>	<u>4,392</u>
Total net undiscounted financial assets/(liabilities)	<u>126,750</u>	<u>(172)</u>	<u>44,400</u>	<u>1,320</u>	<u>172,298</u>

* Not expected to be repaid in the near future and timing of repayment cannot be estimated reliably (Note 24)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(C) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense would be affected by an adverse movement in interest rates.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates on outstanding borrowings from financial institutions for development projects had been 75 (2016: 75) basis points lower/higher, with all other variables held constant, the interest capitalised in property under development during the year would have been \$1,550,000 (2016: \$17,000) lower/higher arising mainly as a result of lower/higher interest on bank loans utilised for development of properties.

The Group's profit before tax would have been \$672,000 (2016: \$55,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(D) MARKET PRICE RISK

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity shares. These instruments are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the shares held had been 2% (2016: 2%) higher/lower with all other variables held constant, the Group's fair value adjustment reserve in equity would have been \$88,000 (2016: \$67,000) higher/lower, arising as a result of an increase/decrease in the fair value of quoted equity shares classified as available-for-sale and the Group's profit before tax would have been \$81,000 (2016: \$52,000) higher/lower, arising as a result of higher/lower fair value gains on quoted equity shares classified as held for trading.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(E) FOREIGN CURRENCY RISK

The Group is exposed to currency translation risk arising from its property investment operation in Australia. The Group's investment in its subsidiary trusts is hedged by Australian Dollar (AUD) denominated bank loan, which mitigates structural currency exposure arising from the subsidiary trusts' net assets.

Below is the breakdown of significant assets and liabilities denominated in AUD as at 31 December 2017.

	Group 2017 \$'000
Non-current assets	
Investment property	114,851
Current assets	
Trade receivables	650
Prepayments	2
Cash and cash equivalents	943
	1,595
Non-current liabilities	
Interest-bearing bank loans	63,899
Current liabilities	
Trade and other payables	329

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the AUD exchange rate against SGD, with all other variables held constant, on the Group's profit before tax.

	Profit before tax 2017 \$'000
AUD	
– strengthened 5%	35
– weakened 5%	(35)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016. The Group is not subject to any externally imposed capital requirements.

The Group seeks to maintain a fair mix of debt and equity. As far as practicable, development expenditures for the Group's projects are funded by external financing from banks or financial institutions. The Group may also obtain loans from shareholders and non-controlling shareholders in accordance with the shareholding percentage in the respective subsidiaries. The debt and equity ratio may vary depending on the cost of capital.

The Group monitors capital using a net debt to equity ratio, computed by adjusting for the Group's share of interest-bearing bank loans, loans from non-controlling shareholder of a subsidiary, and cash and cash equivalents in accordance with its shareholding percentages in the respective subsidiaries.

	Group	
	2017	2016
	\$'000	\$'000
Group's share of interest-bearing bank loans in accordance with shareholding percentages in the respective subsidiaries and loans from non-controlling shareholder of a subsidiary	239,995	166,211
Less: Group's share of cash and cash equivalents in accordance with shareholding percentages in the respective subsidiaries	(103,997)	(50,893)
Net debt	135,998	115,318
Equity attributable to shareholders of the Company	254,749	256,680
Net debt to equity ratio	0.5 times	0.4 times

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

36. SEGMENT INFORMATION

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

- (i) The property development segment is in the business of developing residential, commercial and industrial properties for sale.
- (ii) The property investment segment owns and leases investment property.

In the previous financial year, the Group principally operated in Singapore as a property developer, which the management considered as a single segment. For the current financial year reported on, having acquired an investment property in Australia, the Group had an additional business segment and operated in two geographical segments.

Management monitors the operating results of its business segments separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated on operating profit or loss. The segmented results were as follows:

Geographic location	Singapore	Australia	Consolidated
Business segments	Property development S\$'000	Property investment S\$'000	financial statements S\$'000
Revenue:			
External customers	34,378	6,870	41,248
Total revenue	<u>34,378</u>	<u>6,870</u>	<u>41,248</u>
Results:			
Interest income	775	13	788
Dividend income	280	-	280
Depreciation	(182)	-	(182)
Loss on disposal of subsidiary	(3,096)	-	(3,096)
Net loss on fair value adjustment of investment property	-	(3,047)	(3,047)
Finance costs	(459)	(2,137)	(2,596)
Income tax expense	(1,083)	(566)	(1,649)
Segment profit	<u>3,991</u>	<u>131</u>	<u>4,122</u>
Addition to non-current assets			
– Investment property	-	118,693	118,693
Segment Assets	<u>467,291</u>	<u>116,446</u>	<u>583,737</u>
Segment Liabilities	<u>259,104</u>	<u>64,787</u>	<u>323,891</u>

NOTES TO
THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

37. DIVIDENDS

Declared and paid during the financial year:

Dividends on ordinary shares:

- final tax exempt (one-tier) dividend for 2016: 1.00 cent
(2015: 1.00 cent) per share
- special tax exempt (one-tier) dividend for 2016: 0.375 cents
(2015: 0.25 cents) per share

Proposed but not recognised as a liability as at 31 December:

Dividends on ordinary shares, subject to shareholders' approval at the AGM:

- final tax exempt (one-tier) dividend for 2017: 1.00 cent
(2016: 1.00 cent) per share
- special tax exempt (one-tier) dividend for 2017: Nil cents
(2016: 0.375 cents) per share

Group and Company	
2017	2016
\$'000	\$'000
4,010	4,010
1,504	1,002
5,514	5,012
4,010	4,010
–	1,504
4,010	5,514

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 29 March 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 13 MARCH 2018

SHARE CAPITAL

Issued and fully paid	:	\$106,737,447.21
Number of shares	:	400,994,652
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	21	0.89	965	0.00
100 – 1,000	167	7.05	117,853	0.03
1,001 – 10,000	872	36.79	5,783,691	1.44
10,001 – 1,000,000	1,267	53.46	84,637,901	21.11
1,000,001 and above	43	1.81	310,454,242	77.42
Total	2,370	100.00	400,994,652	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	F. H. Lee Holdings (Pte) Limited	142,252,246	35.47
2	DBS Nominees (Private) Limited	14,956,170	3.73
3	OCBC Securities Private Limited	13,586,107	3.39
4	Ang Ah Beng	13,248,900	3.30
5	Lee Sze Hao	12,834,600	3.20
6	Koh Boon Hong	8,765,000	2.19
7	Citibank Nominees Singapore Pte Ltd	6,759,423	1.69
8	Lee Heng Wah @ Lee Heng Guan	5,620,000	1.40
9	Raffles Nominees (Pte) Limited	5,456,155	1.36
10	HL Bank Nominees (Singapore) Pte Ltd	5,375,000	1.34
11	Lim Kok Gin Holdings Pte. Ltd.	5,231,544	1.30
12	Phillip Securities Pte Ltd	4,832,400	1.21
13	Kong Hoa Pte Limited	4,292,743	1.07
14	DBS Vickers Securities (Singapore) Pte Ltd	4,260,020	1.06
15	UOB Kay Hian Private Limited	4,217,361	1.05
16	See Kim Hua @ Tan Kim Hua	4,010,000	1.00
17	Aw Peng Soon	3,992,412	1.00
18	Tan Gee Beng Private Ltd	3,720,000	0.93
19	CGS-CIMB Securities (Singapore) Pte. Ltd.	3,583,783	0.89
20	Sunarko Holding Pte Ltd	3,500,000	0.87
	Total	270,493,864	67.45

STATISTICS OF
SHAREHOLDINGS

AS AT 13 MARCH 2018

SUBSTANTIAL SHAREHOLDERS

No.	Name	Shareholdings registered in the name of substantial shareholders	Number of Shares		
			%	Shareholdings in which substantial shareholders are deemed to have an interest	%
1	F. H. Lee Holdings (Pte) Limited	142,252,246	35.47	0	0.00
2	Lee Sze Hao ⁽¹⁾	13,248,900	3.30	142,252,246	35.47
3	Lee Sze Leong ⁽²⁾	2,085,432	0.52	142,252,246	35.47
4	Lee Sze Siong ⁽³⁾	1,585,096	0.40	142,252,246	35.47

Notes:

(1) Lee Sze Hao is deemed to be interested in 142,252,246 shares held by F. H. Lee Holdings (Pte) Limited.

(2) Lee Sze Leong is deemed to be interested in 142,252,246 shares held by F. H. Lee Holdings (Pte) Limited.

(3) Lee Sze Siong is deemed to be interested in 142,252,246 shares held by F. H. Lee Holdings (Pte) Limited.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the registers of shareholders and to the best knowledge of the Company, the percentage of shareholding held in the hands of the public was approximately 58.52% as at 13 March 2018. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

TREASURY SHARES HELD

The Company does not hold any treasury shares as at 13 March 2018.

DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2018

As disclosed in the Directors' Statement, other than Tan Tong Guan, the shares held by the Directors as at 31 December 2017 remained unchanged as at 21 January 2018.

NOTICE OF ANNUAL GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Sing Holdings Limited will be held at 168 Robinson Road, Level 9 STI Auditorium, Capital Tower, Singapore 068912 on Thursday, 26 April 2018 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2017 together with the Auditor's Report thereon. (Resolution 1)
2. To approve the payment of \$279,000 as Directors' fees for the year ended 31 December 2017 (2016: \$261,500). (Resolution 2)
3. To declare a first and final one-tier tax exempt dividend of 1.0 cent per ordinary share for the year ended 31 December 2017. (Resolution 3)
4. To re-elect Mr Ong Loke Min David as Director, who retires pursuant to Article 104 of the Constitution of the Company. (Resolution 4)
(Note 2)
5. To re-appoint Messrs Ernst & Young LLP as auditor of the Company for the next financial year and to authorise the Directors to fix the auditor's remuneration. (Resolution 5)
6. To transact any other business of an Annual General Meeting.

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without any amendments the following as an Ordinary Resolution: (Resolution 6)
(Note 3)

"That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

- (b) for the avoidance of doubt, notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue shares in pursuance of any Instrument already made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority 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."

BY ORDER OF THE BOARD

TAN MUI SANG
Company Secretary

SINGAPORE, 11 April 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A member of the Company entitled to attend and vote at this Meeting is entitled to appoint another person or persons (whether a member or not) as his Proxy to attend and vote in his stead. The instrument appointing a proxy must be deposited at the Registered Office, 96 Robinson Road #10-01 SIF Building Singapore 068899 not less than 48 hours before the time appointed for the holding of the Meeting.
2. Mr Ong Loke Min David is a Non-Executive and Independent Director and will, upon re-election as a Director of the Company under Resolution 4 above, continue to serve as the Chairman of the Nominating Committee and the Remuneration Committee and as a Member of the Audit Committee.
3. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to allot and issue shares and convertible securities in the Company up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of Company.

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

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 ("AGM") 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (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), 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.

**SING HOLDINGS LIMITED**

Co. Reg. No. 196400165G

ANNUAL GENERAL MEETING**PROXY FORM****IMPORTANT**

1. A relevant intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting (please see Note 3 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors are requested to contact their respective CPF Approved Nominees for any queries they may have with regard to their appointment as proxies.

I/We _____ (Name) _____ (NRIC/PP/UEN No.)
 of _____ (Address)
 being a member/members of Sing Holdings Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Percentage of shareholdings represented

and/or (delete as appropriate):

Name	Address	NRIC/Passport Number	Percentage of shareholdings represented

or failing whom, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held on Thursday, 26 April 2018 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For*	Against*
1	Adoption of Directors' Statement and Audited Financial Statements		
2	Approval of payment of Directors' fees		
3	Declaration of final dividend		
4	Re-election of Mr Ong Loke Min David as a Director		
5	Re-appointment of Messrs Ernst & Young LLP as Auditor and authorise Directors to fix their remuneration		
6	As special business – Approval of general mandate for the Directors to issue new shares or convertible instruments		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "✓" within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2018

Total Number of Shares held	
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 Signature(s)/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and also in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.
2. A member (who is not a relevant intermediary) of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where such member appoints two proxies, he shall specify the percentage of his shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend 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 appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Relevant intermediary is either:
 - a. a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - b. a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
 - c. the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 96 Robinson Road #10-01 SIF Building, Singapore 068899 not less than 48 hours before the time set for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy 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. The Company shall be entitled to reject any instrument appointing a proxy or proxies which 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. 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 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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 as set out in the Notice of Annual General Meeting dated 11 April 2018.

**PROXY FORM FOR
ANNUAL GENERAL MEETING**

**Affix
postage
stamp**

SING HOLDINGS LIMITED

96 Robinson Road
#10-01 SIF Building
Singapore 068899



SING HOLDINGS LIMITED

Co. Reg. No. 196400165G

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