

Annual Reports and Related Documents::

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Additional Details

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Attachments	<p>KBGL - AR2016.pdf</p> <p>KBGL - Circular.pdf</p> <p>Total size =4029K</p>

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Building Cities Building Dreams



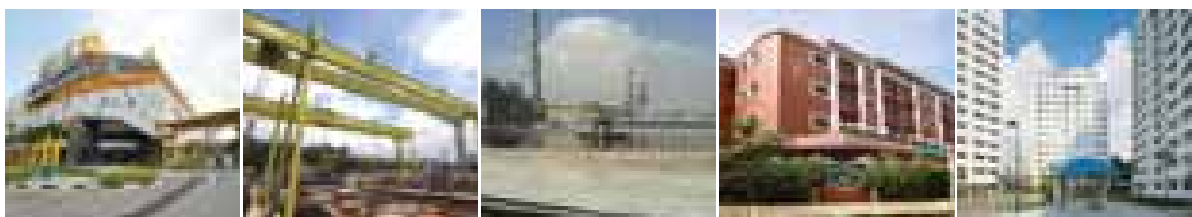
UNVEILING OUR NEXT LAP

annual report 2016



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OUR PROMISE

At **Koh Brothers**, customer satisfaction is our priority. To achieve this, we are committed to deliver quality products, services and solutions. With strong support from our business partners and dedicated staff, we strive to add value by adopting an innovative work approach. With these strengths, we are confident to excel and grow our organisation to achieve shareholder satisfaction.

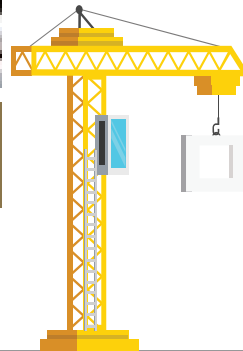


THE ILLUSTRIOUS JOURNEY THUS FAR



- Founded and established by Mr Koh Tiat Meng

1960s



- G & W began equipment sale and rental operations
- Production of concrete products by G & W
- Established PT. Koh Brothers Indonesia and ventured into real estate development in Indonesia

1980s



1970s



Building Cities Building Dreams

- Rochor Canal Flood Alleviation Project
- Sungei Ulu Drainage Project
- Setup G & W Ready-Mix Pte Ltd providing ready-mix concrete

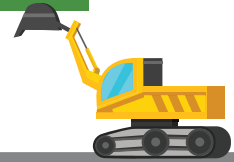
1990s



- Registered with the CIDB as G8 Building and Civil Engineering Contractor
- Bukit Timah Flood Alleviation Scheme Project
- Refurbished and renovated Asian Hotel in Vietnam and Changi Hotel in Singapore
- New Hall of Residence for NTU
- Set up Automated Batching Plants
- First City Complex Project in Batam, Indonesia
- Development of HDB Flats in Jurong West
- Holland Road/Farrer Road/Queensway Interchange Project
- SASCO Hanger Complex Project
- Substructures and Civil Works for NUH
- Listed on the Mainboard of SGX
- Improvements to Kallang River (from Braddell Road to Jalan Toa Payoh)

- Building & Electrical Works at Jurong West Neighbourhood 6
- BCA award for Construction Excellence 2000 (Civil Engineering) and for Construction of Holland Road/Farrer Road/Queensway Interchange
- Ranked amongst the top companies in Singapore 1000
- Extension/addition and alteration to existing Singapore Conference Hall
- Construction of SAF Warrant Officers & Specialists Club
- Designing and Building of Provost & Armour Clusters in Kranji Camp
- Singapore Civil Defence Force HQ Complex
- The Sierra (Real Estate Project)
- The Montana (Real Estate Project)
- Starville (Construction and Real Estate Project)
- Construction of Common Services Tunnel Project in Marina South
- Changi Water Treatment Plants Project
- Marina Barrage Project
- The Lumos (Real Estate Project)
- Bungalows @ Caldecott (Real Estate Project)
- Construction of River Valley High School & Hostel
- Upgrading of Vehicular Bridges Project
- Fiorenza (Construction and Real Estate Project)
- Construction of Bugis Station and its Associated Tunnels for Downtown Line Stage 1
- Construction of Punggol Waterway
- Construction of HDB flats in Choa Chu Kang
- Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. awarded OHSMS
- Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. awarded ISO 14000

2000s



2010s



- Awarded by CIDB for Construction Excellence of Reconstruction of Geylang River
- Land Reclamation Phase 1 Project at Xinjin River Mouth, Shantou, China
- G & W Ready-Mix Pte Ltd and G & W Concrete Products Pte Ltd awarded ISO 9002 certification
- Opening of Oxford Hotel
- Building works at Choa Chu Kang Neighbourhood 4
- Construction of Civil Defence Academy at Jalan Bahar
- Construction of Container Stacking Yard for Container Terminal at Pasir Panjang Road
- Sun Plaza (Construction and Real Estate Project)
- The Capri (Real Estate Project)
- Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. awarded ISO 9000

- South East Asia Property Award (Singapore) - The Real Estate Personality of the Year 2016
- 15th & 16th SIAS Investors' Choice Awards - Most Transparent Company Awards 2014 & 2015 (Construction & Materials Category)
- Singapore Quality Brand Award 2014 - (Special Merit)
- Promising SME 500 2014 (Distinguished Business Leader of the Year) Award
- BCA Construction Productivity Award - Advocates (Builder - Open Category) - Merit
- Malaysia Landscape Architecture Awards 2014 Excellence Award (International) - My Waterway @ Punggol
- Singapore Prestige Award - Heritage Brands Category 2013
- HDB BTO Project at Vine Grove @ Yishun
- Development of executive condominium site at Westwood Avenue
- Acquisition of Koh Brothers Eco Engineering Limited (formerly known as Metax Engineering Corporation Limited)
- Bukit Timah First Diversion Canal
- Geylang River Makeover Project
- Design and Engineering Safety Excellence Award 2010 - Marina Barrage (Merit - Civil Engineering Category)
- Green and Gracious Builder Award 2010 (Merit)
- BizSAFE STAR Certificate
- BizSAFE Partner Certificate
- Green and Gracious Builder Award 2012 (Excellent)
- BCA Construction Excellence Award 2011 - Marina Barrage (Civil Engineering Projects Category)
- Parc Olympia (Construction and Real Estate Project)
- Total Defence Award 2011
- Sewerage Scheme to serve Jurong Eastern Catchment Package C (Contract 1) - Proposed used water lift station at Jurong Water Reclamation Plant
- Lincoln Suites (Construction and Real Estate Project)
- Design & Build Contract for Proposed Retention Pond, associated drainage and backfill works at Singapore Changi Airport
- BCA Construction Productivity Award - Platinum (Civil Engineering) Punggol Waterway Part 1
- HDB Construction Award - Punggol Waterway Part 1
- Upgrading Kallang River between Bishan and Braddell Road
- Singapore Changi Airport 3 - Runway - Package One
- Marina East Desalination Plant

OUR CORPORATE PROFILE



Listed on SGX Mainboard in August 1994, **Koh Brothers Group Limited** (“Koh Brothers” or “the Company”, and together with its subsidiaries, “the Group”) is a well-established construction, property development and specialist engineering solutions provider. Koh Brothers was started as a sole proprietorship in 1966 by Mr Koh Tiat Meng. Today, the Group has more than 40 subsidiaries, joint venture companies and associated companies spread across Singapore, Indonesia and Malaysia.

Over the years, the Group has undertaken numerous construction and infrastructure projects with its A1 grading by the Building and Construction Authority (“BCA”). It is currently the highest grade for contractors’ registration in this category and allows the Group to tender for public sector construction projects of unlimited value. Koh Brothers is also the single largest shareholder of SGX Catalyst-listed Koh Brothers Eco Engineering Limited (“KBE”), a sustainable engineering solutions group that provides engineering, procurement and construction services for infrastructure and building, water and wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects. In addition, the Group has developed a name for itself as a niche real estate developer with an established reputation for quality and innovation.

Koh Brothers’ diversified businesses have created multiple revenue streams, with operating synergies arising from these core areas:

- **CONSTRUCTION AND BUILDING MATERIALS**

- Water and Wastewater Treatment (KBE)
- Hydro-Engineering (KBE)
- Bio-Refinery Engineering (KBE)
- Bio-Energy Engineering (KBE)

- **REAL ESTATE**

- **LEISURE & HOSPITALITY**

Construction

Our Construction division provides a complete and diverse range of infrastructure and building project management, products, services and solutions for the construction industry. Harnessing synergies from KBE, the Group is able to offer turnkey engineering solutions and tap opportunities in the water and wastewater treatment & hydro-engineering sectors to the construction industry. Recent projects undertaken include the development of an executive condominium site at Westwood Avenue, the HDB building works at Yishun Neighbourhood Park, the PUB Bukit Timah First Division Canal Contract 2, Kallang-Bishan River, Singapore Changi Airport Runway 3 (Package 1), and Marina East Desalination Plant.

Other recently completed projects include the Downtown Line 1 Bugis MRT Station, Punggol Waterway, Geylang River makeover, the Used Water Lift Station at Jurong Water Reclamation Plant, the Design and Build Contract for Proposed Retention Pond, Drainage and Backfilling Works at Singapore Changi Airport, Parc Olympia Condominium and Lincoln Suites.



Bugis MRT contract (903)



Bugis MRT contract (903)

OUR CORPORATE PROFILE



Toa Payoh/Kallang River



Geylang River



HDB (Yishun)



Marina Barrage

Building Materials

Our Building Materials division is a long established and renowned one-stop quality provider of concrete solutions to the construction industry. The Building Materials division is supported by six batching plants and a precast plant in Iskandar, Malaysia. The supply chain includes cement, ready-mix concrete, equipment rental and various types of products such as pre-cast elements and interlocking concrete blocks.



G&W Plant



Wastewater Treatment (India)

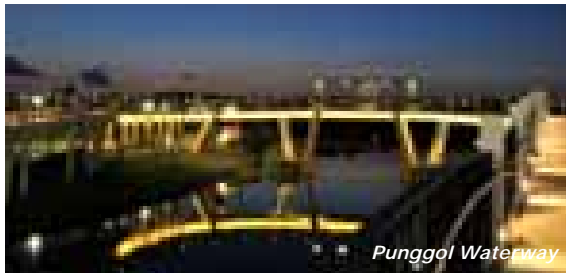


G&W Precast Yard

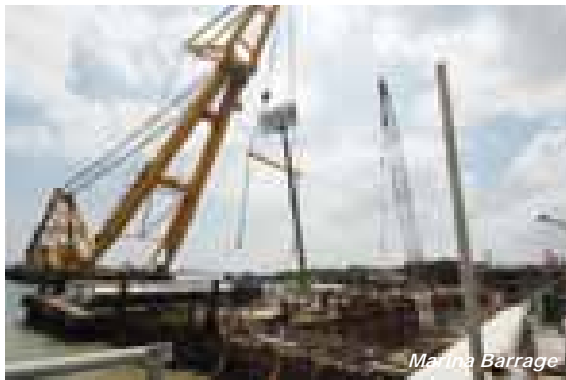


Changi Water Reclamation Plant

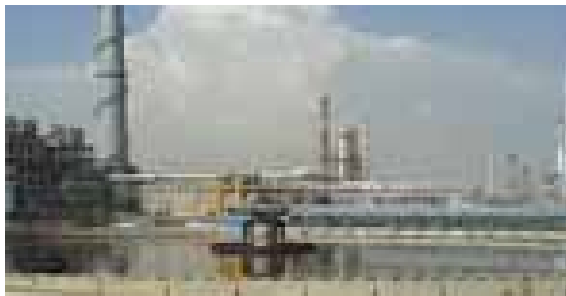
OUR CORPORATE PROFILE



Punggol Waterway



Marina Barrage



Changi Water Reclamation Plant

Backed by a diverse 35-year track record in the water-solutions business, KBE has delivered numerous water and wastewater treatment projects in Singapore, Indonesia, Malaysia, Thailand, the Philippines and India - for public and private sectors, and both domestic and industrial use.

KBE provides a complete solution which starts with technology, engineering, manufacturing and infrastructure procurement, specialist equipment and turnkey systems, followed by project management, installation, performance trials, commissioning, training, operations and maintenance.

Our water treatment capabilities span the entire process effectively covering the primary, secondary and tertiary treatments. The result is an effluent of drinking-water quality - a precious resource vital to countries all over the world.



Common Service Tunnel



Punggol Waterway



Water and Wastewater Treatment Division (KBE)

Constituting one of KBE's mission-critical businesses, the Water and Wastewater Treatment Division enjoys established expertise and a sterling track record in the areas of water and wastewater treatment, hydro-engineering, bio-refinery engineering and bio-energy engineering.

OUR CORPORATE PROFILE



Hydro-Engineering (KBE)

Complementing our water and wastewater treatment function is our longstanding expertise in hydro-engineering and fluid mechanics, which focuses on the flow and conveyance of fluids such as water and sewerage.

KBE designs and supplies devices which use state-of-the-art electrical drives and control systems. These are incorporated into infrastructure and products like pump systems, gates, valves and other operating equipment. We also act as a system integrator for mechanical and electrical power, the instrumentation, as well as control systems. Whether it is flow or flood control, bespoke or turnkey solutions, we have the capabilities to design, build and install hydro-engineering equipment and systems to meet all its clients' needs.

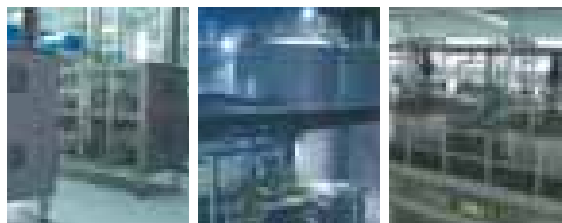
KBE has provided EPC services for major hydro-engineering projects undertaken by the Singapore Government and also supplied hydro-engineering equipment and systems to the private sector. Our operations also extend beyond local shores to Malaysia.

Bio-Refinery Engineering (KBE)

Through our subsidiary, Oiltek Sdn. Bhd. ("Oiltek"), KBE engineers, procures and constructs facilities to refine palm oil. This includes complete edible and non-edible oil refining plants, renewable energy and biofuel plants as well as systems and processes improvement for existing refining operations. Oiltek is the process licensee of Malaysia Palm Oil Board for biodiesel, winter fuel, multi-feedstock biodiesel, phytonutrient extraction and other downstream processes and also plays an important industry role as a distributor of machinery and components.

Oiltek's technological breakthroughs, such as the ENORMOUS system, which greatly increases the yield of refined oil, and various achievements have won us distinguished accolades such as the Asia Pacific Super Excellent Brand 2009, Asia Success Award and Super Outstanding Brand in 2012 and 2013.

With more than 35 years of experience, Oiltek today markets to more than 26 countries across Asia, Africa, Central America and Latin America.



Bio-Energy Engineering (KBE)

KBE enjoys a leading track record in integrated and multi-feedstock biodiesel plants. It is one of the pioneering engineering companies in Malaysia and is also currently operating successfully in Thailand. We provides consultancy, design, engineering, procurement and construction services for palm oil mills seeking to recover and utilise methane as a source of renewable energy.

We is the leading provider of palm oil mill effluent ("POME") biogas and methane recovery systems in leading palm oil producing countries like Malaysia and Indonesia. The technology optimises capital expenditure with low operational and maintenance costs with high efficiency in terms of amount of biogas recovered. Furthermore, it has no fire risk and has a proven track record of long-term operation with zero shutdown.

KBE also assists in designing, reviewing, submitting and supporting POME biogas recovery projects to achieve Certified Emission Reduction registration, commonly known as carbon credits.

OUR CORPORATE PROFILE



Westwood Residences



The Lumos



Parc Olympia



Florenza

Real Estate

Our Real Estate division provides quality property developments with specialised lifestyle themes at choice locations. Koh Brothers Development Pte Ltd, established in 1993, is a wholly-owned flagship company for this division.

Koh Brothers has managed to carve a niche in developing themed properties that are innovative and promote the modern lifestyle. Amongst its many successes, there is the 175-unit Lincoln Suites off Newton Road, the 53-unit Lumos development at Leonie Hill, Montana and Starville.

Some of our current development projects include the development of Singapore's first bike-themed Executive Condominium (EC), Westwood Avenue, as well as the 486-unit Parc Olympia Condominium at Flora Drive.



Oxford Hotel

Leisure & Hospitality

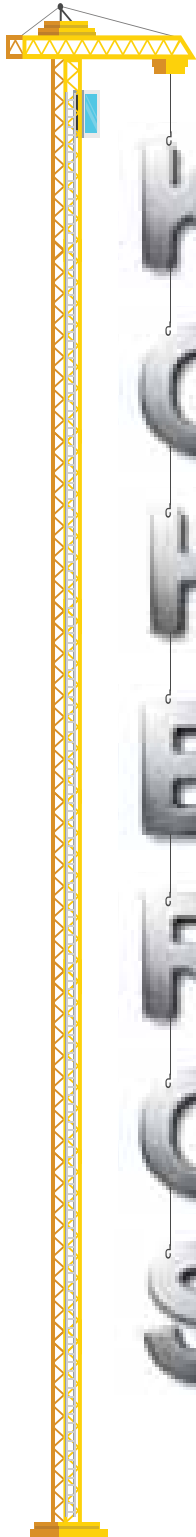
Our Leisure & Hospitality division provides 'no-frills' hospitality services through the Oxford Hotel brand name with more than 130 hotel rooms. Oxford Hotel has also recently completed major renovations as part of an upgrading programme.

OUR CORE VALUES



STATEMENT

With knowledge and honesty, we add value to organisational excellence through commitment, teamwork, continuous self-development and opportunities for innovation.



Knowledge

Our culture of continuous improvement allows for the developmental opportunities that are responsive to the current and future challenges of our Company and our customers.

Openness

We need to be open-minded to adapt and respond well to changes according to the environment.

Honesty

We emphasise honesty in every aspect of our business, resulting in a Company that is trusted by our society at large whom we work with.

Bonding

Our culture of teamwork allows us to bring together the best thinking from our professionals and deliver optimum solutions to our clients' complex needs.

Responsibility

Our culture encourages employees to pursue set goals and work towards achieving high standards of performance.

Opportunities

We provide equal opportunity to all individuals to be innovative so as to bring Koh Brothers to the next level of excellence.

Standards

We strive to achieve organisational excellence in whatever we set out to perform.

OUR AWARDS



OUR AWARDS



- SS ISO 14001:2004/OHSAS 18001:2007/
SS ISO 9001:2008
- Singapore 1000 Company
- 2 BCA Awards for Construction Excellence 2000 (Civil Engineering)
 - Construction of Holland Road/
Farrer Road/Queensway Interchange
- CIDB Awards for Construction Excellence 1995 (Civil Engineering)
 - Reconstruction of Geylang River
- BCA
 - Design & Engineering Safety Excellence Award 2010
 - Merit Award (Civil Engineering)
 - Marina Barrage
- BCA
 - Construction Excellence Award 2011
 - (Civil Engineering Projects)
Construction of Marina
- BCA
 - Construction Productivity Award 2012
 - (Platinum) – Civil Engineering
 - Punggol Waterway Part 1
- BCA
 - Green & Gracious Builder Award (Merit) 2011
(Excellent) 2012
- HDB
 - Construction Productivity Award My Waterway@Punggol (infrastructure)
- Singapore Prestige Brand Award 2013 (SPBA)
 - Heritage Brand Category
- BCA
 - Construction Productivity Award 2014 – Advocates (Builder-Open) Merit
- Singapore Quality Brand Award 2014 (Special Merit)
- Promising SME 500 -2014
- Distinguished Business Leader of the Year Award
- 15th SIAS Investors' Choice Awards
 - The Most Transparent Company Award (2014 & 2015)
Construction & Material Category
- South East Asia Property Awards (Singapore)
 - The Real Estate Personality of the Year 2016





EXECUTIVE CHAIRMAN'S MESSAGE



Koh Tiat Meng (PBM)
Executive Chairman



DEAR SHAREHOLDERS

The Group that you see today – generating numerous multimillion-dollar revenue streams on an annual basis – traces its roots to a sole proprietorship in 1966.

From such humble beginnings, we have grown to become an established brand that commands top-of-mind awareness in construction and civil engineering, enjoying a sterling track record that includes the groundbreaking Marina Barrage and other landmark infrastructures.

Over the decades, we have staunchly adopted a strategy of diversification: in addition to honing and growing our core expertise, we have continually kept a lookout for opportunities in new sectors, and meticulously engineered synergies among new and existing businesses.

This tested strategy – which has seen much success in implementation – will continue to guide our approach going forward.

DIVERSIFICATION FOR GROWTH & RISK MITIGATION

The acquisition of Koh Brothers Eco Engineering Limited (“KBE”) to enter the water and wastewater treatment, and hydro-engineering industry is a case in point. We subsequently injected our flagship construction business – then known as Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. – into KBE as a bold move to integrate synergistic businesses along the supply chain.

As a result, we realised greater synergy and was able to furnish more compelling value propositions to the market. Soon after restructuring, KBE clinched two new projects that require the combined capabilities of the Group – a subcontract from Keppel Seghers for civil structural, piping, marine works and architectural landscaping works relating to Singapore’s fourth desalination plant at Marina East; and a S\$31.3 million contract from PUB for the Wet Weather Facility as part of the Changi Water Reclamation Plant, Phase 2 Expansion. This is a strong testament of the effectiveness of our restructuring exercise that has sharpened our competitive edge.



The Group maintained a strong balance sheet with an overall liability to asset ratio of 0.55 time, an improvement over FY2015’s 0.60 time, and enjoyed substantial liquidity with S\$43.2 million of cash and bank balances as well as S\$318.4 million worth of current assets.

Given the current geopolitical uncertainties and the economic headwinds they entail, FY2017 is anticipated to be muted, with GDP growth forecast to come in at a modest 1% – 2%. Additionally, the economy is also undergoing a restructuring arising from digitisation and other disruptive technologies.

The manufacturing sector has performed relatively well while other industries, such as real estate (which the Group has substantial interests in), has showed resilience, showing healthy demand and stabilising prices.

Amid a challenging landscape, the Group saw a decline in revenue and also a corresponding slide in profits. Overall revenue recorded a 19.1% decrease, down from last financial year’s S\$427.3 million to S\$345.7 million in FY2016. The gross profit margin for FY2016 was 8.4%, down from 12.9% in FY2015.

EXECUTIVE CHAIRMAN'S MESSAGE



It is nonetheless heartening to see our Construction and Building Material division step to the forefront, with contract revenues of S\$262.9 million, up 57.6% from last financial year's S\$166.8 million. Our construction order book was lifted by a S\$1.12 billion joint venture project clinched in FY2015 from Changi Airport Group for the development of a three-runway system at Changi Airport - marking our largest contract win to date. We will continue to pursue such large-scale projects to strengthen our order book for sustainable growth. Hence, the importance of developing a diverse portfolio of businesses is again demonstrated - diversity shields the Group from over-exposure to any single industry or single source of risk.

The Group maintained a strong balance sheet with an overall liability to asset ratio of 0.55 time, an improvement over FY2015's 0.60 time, and enjoyed substantial liquidity with S\$43.2 million of cash and bank balances as well as S\$318.4 million worth of current assets.

GOING FORWARD

Though the Trans-Pacific Partnership (TPP) has been upended by the Trump administration, the United States' "Pivot to Asia" foreign policy is likely to persist. In short, we anticipate continued American presence and the capital that could potentially flow into the region.

The landscape that is about to unfold requires a setup that is highly innovative, nimble and responsive to change, and very importantly, willing to change, so as to adapt. In this regard, I am glad to note that our proven leadership team helmed by Managing Director and Group CEO Francis Koh is right on track with a dynamic and highly-progressive management philosophy. Francis in fact clinched the "Real Estate Personality of the Year" award at the prestigious South East Asia Property Awards 2016 - a well-deserved accolade for his contribution to the industry.

PROPOSED DIVIDENDS

It has been another successful year for us. I am therefore pleased to report that we are proposing a tax-exempt, one-tier final dividend of 0.35 cent, payable on 15 June 2017 after approval by shareholders at the forthcoming Annual General Meeting.

In commemoration of our 50th anniversary and to allow shareholders to participate directly in



Parc Olympia



Punggol Waterway

KBE's growth, we have also executed a dividend in specie exercise following the restructuring exercise, where shareholders received 0.1 ordinary KBE share for each ordinary Koh Brothers share held.

APPRECIATION

We have come thus far because of the people who have supported and believed in us. I would therefore like to convey my deepest appreciation to our clients, business associates and shareholders for their unwavering support over the years. To the management team and staff - thanks for your dedication and hard work that have steered the Group through five good decades.

Koh Tiat Meng

Executive Chairman
23 March 2017

GROUP STRUCTURE



Building Cities Building Dreams

KOH BROTHERS GROUP LIMITED

CONSTRUCTION AND BUILDING MATERIALS

- Beijing G & W Cement Products Co., Ltd
- Construction Consortium Pte. Ltd.
- Dalian Megacity Trading Co., Ltd
- G & W Building Materials Sdn. Bhd.
- G & W Concrete Products Pte Ltd
- G & W Industrial Corporation Pte Ltd
- G & W Industries (M) Sdn. Bhd.
- G & W Industries Pte Ltd
- G & W Precast Pte Ltd
- G & W Ready-Mix Pte Ltd
- Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd.
- Koh Brothers Eco Engineering Limited
- Koh Eco Engineering Pte. Ltd.
- Megacity Investment Pte Ltd
- Metax Eco Solutions Pte. Ltd.
- Oiltek Nova Bioenergy Sdn. Bhd.
- Oiltek Sdn. Bhd.
- USL-G&W Global Pte. Ltd.
- Oiltek (S) Pte. Ltd.
- KBEE Engineering Sdn. Bhd.
- WSB Pte. Ltd.

LEISURE & HOSPITALITY

- Koh Brothers Investment Pte Ltd
- Oxford Hotel Pte Ltd

REAL ESTATE

- Changi Properties Pte. Ltd.
- KBD Flora Pte. Ltd.
- KBD Kosdale Pte. Ltd.
- KBD Ventures Pte. Ltd.
- Koh Brothers Development Pte Ltd
- Koh Brothers Holdings Pte Ltd
- Kosland Pte. Ltd.
- PT. Koh Brothers Indonesia

Note: This list is not exhaustive.



OPERATIONS REVIEW BY THE MANAGING DIRECTOR & GROUP CEO



Koh Keng Siang (Francis)
Managing Director & Group CEO



DEAR SHAREHOLDERS

Amid much global uncertainty triggered by Brexit, the American political scene and other major events, the Singapore economy saw a muted GDP growth of 1.8% in FY2016. FY2017 is also anticipated to be a slow year, with GDP growth forecast to come in between 1% - 2%.

At the domestic level, the property market has cooled substantially since the introduction of the Total Debt Servicing Ratio (TDSR) policy in 2013, and to date remains subdued compared to the market peak in 2013.

Under such challenging circumstances and also arising from an absence of significant revenue recognised by the Real Estate division, the Group saw a drop in revenue and also recorded a corresponding decline in profits.

The Group recorded a 19.1% decrease in revenue, down from last financial year's S\$427.3 million to S\$345.7 million in FY2016, while the gross profit margin for FY2016 was 8.4%, down from 12.9% in FY2015.

With an overall liability to asset ratio of 0.55, an improvement over FY2015's 0.60, the Group maintained a healthy balance sheet, and enjoyed ample liquidity. We had S\$43.2 million of cash and bank balances, and S\$318.4 million worth of current assets, which puts us in good stead to ride out cyclical downturns and avoid risks arising from being overleveraged.

CONSTRUCTION AND BUILDING MATERIALS DIVISION

On an optimistic note, it is encouraging to see our Construction and Building Materials division supporting the topline with contract revenues of S\$262.9 million, up 57.6% from last financial year's S\$166.8 million.

The injection of our flagship construction and civil engineering business, Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd., into KBE has proven to be a prudent decision. The integration of synergistic businesses along the supply chain has substantially increased the division's revenue and profit margin, and also helped the Group clinch important contracts.

Soon after restructuring, KBE clinched two new projects that require the combined capabilities of the Group - a subcontract from Keppel Seghers for civil structural, piping, marine works and architectural landscaping works relating to Singapore's fourth desalination plant

at Marina East; and a S\$31.3 million contract from PUB for the Wet Weather Facility as part of the Changi Water Reclamation Plant, Phase 2 Expansion. This is a strong testament of the effectiveness of our restructuring exercise that has sharpened our competitive edge.

Our ongoing construction projects include works at the Bukit Timah Diversion Canal, which involves the widening and deepening of a 1.3km section of the canal, so as to provide enhanced protection against intense storms and rainfall within the catchment area.

The upgrading of the Kallang River between Bishan and Braddell Road, part of the PUB's Active, Beautiful, Clean Waters (ABC Waters) programme, a major project worth S\$86.3 million, is progressing well and on schedule to complete by 2018. Likewise, the Changi Airport three-runway system, is on track for completion together with our joint venture partner, Samsung C&T Corporation. This mega project worth S\$1.12 billion will complete by early 2020, expected to result in positive revenue for the Group.



The Changi Airport three-runway system, is on track for completion together with our joint venture partner, Samsung C&T Corporation. This mega project worth S\$1.12 billion will be ready by early 2020.

OPERATIONS REVIEW BY THE MANAGING DIRECTOR & GROUP CEO



REAL ESTATE AND LEISURE & HOSPITALITY DIVISION

On the real estate development front, Westwood Residences, a cycling-themed executive condominium in Jurong is close to 70% sold, and is expected to obtain its temporary occupation permit (TOP) in the second half of 2017. With the upcoming Jurong Rejuvenation plan, we will continue to push sales. Parc Olympia, our private condominium development in Changi, has completed its handover to owners in Q1 2016. Asset enhancement initiatives at Sun Plaza has translated into better occupancy rates and improved revenues.

Revenue from our leisure and hospitality arm recorded a 12.9% slide to S\$3.1 million from S\$3.6 million in FY2015. However, given the improvement works done at Sun Plaza, Oxford Hotel and Alocassia Serviced Apartments, and also considering the proximity of Alocassia to the Downtown Line Stevens MRT station, we are optimistic that they will contribute to growth when the economy picks up. We are also exploring and tendering for land to build up our land bank for future business development.

The authorities have in March 2017 relaxed property cooling measures for the first time since 2009. The Seller's Stamp duty and TDSR were eased with effect from March 11, 2017. With such favourable developments, we are optimistic on the sales of our remaining residential units, and will continue to be on the look out for yield-accretive sites and opportunities to prudently replenish our land bank.

CONCLUSION

According to BCA estimates, construction demand is anticipated to come in between S\$28 billion and S\$35 billion, of which 70% will be driven by demand from the public sector.



With the expanded capabilities of KBE working in tandem and achieving synergies with the Building Materials division, we are well-positioned to leverage on this demand and deliver superior value proposition to the market.

Additionally, as Executive Chairman Mr Koh Tiat Meng highlighted in his message, with continued American and Chinese presence in the region and the corresponding inflow of capital, the fundamentals are in place for a thriving, cross-border market in ASEAN and beyond.

So I urge shareholders, employees and business partners to continue rendering your support, so that the Group can deliver greater value to you in the years to come.

Koh Keng Siang (Francis)
Managing Director & Group CEO
23 March 2017

SUSTAINABILITY APPROACH



SUSTAINABILITY APPROACH



Corporate Social Responsibility at Koh Brothers

Corporate social responsibility (“CSR”) is one of Koh Brothers’ core values and this permeates everything, including our philosophy towards the society in which we operate. As a home-grown organisation, we believe our achievements today would not have been possible without the help of the people who collectively made up Singapore. As such, we believe in giving back to the society and are deeply committed to our CSR. Our efforts include, but are not limited to, corporate philanthropy, volunteerism, the environment and corporate sponsorship.

Singapore Children’s Society

Koh Brothers is an active participant for the Singapore Children’s Society’s 1000 Enterprises for Children-In-Need Programme, where we pledge our donation to Singapore Children’s Society annually. We will continue to contribute as we believe that our support will go a long way and will continue to help the children in need.

Society for the Physically Disabled (SPD) Charity Hongbao

We are proud to be part of SPD’s Charity Hongbao Donation Drive. We hope to make a difference in the lives of people with disabilities over the Lunar New Year. Our donation using ‘hongbaos’ will fund over 20 programmes and services offered by SPD, which facilitates the integration of people with disabilities into the society.

BCA-Industry Built Environment Undergraduate Scholarship / Sponsorship

Together with other industry firms, we collaborated with Building & Construction Authority (BCA) to offer BCA-Industry Built Environment Undergraduate Scholarship/ Sponsorship to students pursuing full-time built environment courses at local universities and the BCA Academy. At Koh Brothers, we believe that through these programmes, graduates will enjoy ample opportunities while being nurtured for an exciting and rewarding career in the Built Environment sector.

Other CSR Initiatives at Koh Brothers

Koh Brothers has participated in many CSR programmes organised by various agencies, institutions, and associations. These activities include National Crime Prevention Council (NCPC), Singapore Red Cross Society, Taman Jurong CCC CDWF Fund, Singapore Water Association, REDAS 41st Golf Tournament, 9th KOCHAM Charity Golf, Lee Bee Wah Cup Fund Raising Golf, and Maris Stella High School Alumni. We have also sponsored “Long Long Time Ago 1 and 2”, movies directed by Jack Neo to commemorate Singapore’s 50th birthday which starred Aileen Tan, Mark Lee and Wang Lei as the main casts.





Health and Safety at Koh Brothers

At Koh Brothers, we regard management of health and safety as an integral and fundamentally important part of our day-to-day operations. A serious workplace injury or death will change lives forever – for families, friends, communities, and co-workers alike. Human loss and suffering is immeasurable.

Our management is held accountable for any health and safety related issues. All employees are expected to take personal responsibility for their actions, and to be involved in health and safety improvement initiatives. All businesses are required to implement a high level of health and safety standards, in line with the Group's policies.

Occupational Health and Safety

Occupational injuries and illnesses can provoke major crises for the families in which they occur. In addition to major financial burdens, they can impose substantial time demands on uninjured family members. At Koh Brothers, we acknowledge that employee attrition and absenteeism due to health and safety can be major obstacles. Therefore, we continue to create a healthy and safe workplace for our employees in the following ways:

- **Health and Safety Budget** – We set aside a budget to implement health and safety improvements initiatives and ensure that health and safety aspects become part of our operational plan.
- **Health and Safety Policies** – We emphasise on “health and safety first” in our policies. This has resulted in higher quality products. These policies lead to increased efficiency, free of debris, and tangles of cords. In addition, working in a clean, efficient environment allows workers to enhance productivity.
- **Risk Management Committee** – Our Risk Management Committee meets on a monthly basis to discuss health and safety, from organisation to projects. This will also include deployment of sufficient resources and initiatives to mitigate health and safety risks.
- **Safety Moment** – At Koh Brothers, we implement a Safety Moment initiative. A 5-minute Toolbox talk every morning will be conducted on the latest health and safety topics before commencing all meetings.

- **Health and Safety Meetings** – Health and safety issues are discussed as the first item at all project weekly meetings. Thereafter, discussion topics are cascaded to all supervisors and workers every morning before work starts. A WhatsApp group has been formed between the management and project teams to keep respective parties acquainted with housekeeping, safety, incident reporting etc.
- **Quarterly Health and Safety CEO Forum** – Our CEO of the Construction Division chairs the Quarterly Health and Safety CEO Forum. He discusses health and safety issues with our Health, Safety, and Environment (HSE) Division.
- **Health and Safety Inspection** – Our Corporate HSE Officer and QHSE Director conduct weekly health and safety audits. Also, daily inspection by project HSE personnel ensures that we maintain a high level of health and safety practices.



SUSTAINABILITY APPROACH



Customer Health and Safety

At Koh Brothers, safety serves as our basis for quality assurance. We review regularly and improve our health and safety framework to ensure that we deliver products and services to customers and clients safely.

We always carry the mind-set of complying with health and safety requirements and legislations put in place by customers and clients. We conduct frequent meetings to ensure that our customers and clients' health and safety issues are addressed adequately and effectively.

We provide a platform for our customers and clients to perform annual assessment to help us gauge the health and safety performance of our project teams and management of work. We strive to deliver quality products and services safely.

Training & Education at Koh Brothers

Training and education is one of the key engagements with our employees. We strive to develop our people to achieve their fullest potential and to provide them with a fulfilling career at Koh Brothers. Hence, we continue to offer our employees with numerous training programmes to support their various development needs. Most of our employees achieve an average of 30-hour per employee/per year on training and education and receive regular performance and development reviews.

We conduct training needs analysis, allocate training budget, map out total company training plan and send our employees to attend various human resources management and development programmes so as to upskill and reskill their competency levels in order to enhance their career development prospects and to stay relevant in the marketplace.

Our employees also have the opportunities to be rotated to different jobs and departments within Koh Brothers Group. In addition to broadening their skill sets, it also provides an opportunity for our employees to understand how each function contributes to Koh Brothers strategic objectives. In turn, our employees will be able to understand the value of each function and develop a greater respect and appreciation for each other. Our employees have responded positively to the opportunity to improve their job skills, that has resulted in greater job satisfaction, higher productivity and reduction in staff's attrition.

As we are performance-driven, we implement a systematic training evaluation to measure training effectiveness and introduce Balance Scorecard system to track key performance indicators set up by all departments. This enables the Group to achieve its long-term goals.





Our Sustainable Supply Chain

At Koh Brothers, we promote long-term relationships with our suppliers and seek alignment with them on legal and sustainability related issues (such as regulatory compliance, social issues, and environmental responsibility). As of 2016, we have over 300 suppliers throughout our supply chain. We continue to leverage on the scale of our supply chain to make a positive impact in the markets in which we do business locally and globally.

We have established and maintained a list of applicable legal and other relevant requirements in terms of our supply chain aspect. This has been communicated to employees and interested parties. We also conduct regular reviews on our suppliers (at least once a year) to ensure they meet the relevant regulations. A management review meeting will also be held annually to review the evaluation of the suppliers' compliance with regards to environmental, legal and regulatory compliance.

Water Management at Koh Brothers

At Koh Brothers, we recognise that water scarcity is ranked among the biggest threats facing our planet. Water Management, such as water consumption throughout our operations, is important as it could contribute to significant environmental impacts. Thus, we focus our efforts on reducing our water impacts with robust controls and continuous monitoring of the effects of water consumption.

ISO14001:2004 Environmental Management System (EMS) was set up in 2012. Since then, our management remains committed to the environmental policy and objectives established. Water conservation measures are part of the EMS. We have also engaged an external independent auditor from a certification body, Certification International, to audit the EMS annually. Audit findings (if any) on environmental issues will be briefed to the employees with the respective operation/production managers taking the lead in rectifying any non-compliance.

Environmental objectives on water consumption are established and communicated to our employees. These objectives will be reviewed during a management review meeting held annually. Continual improvements on the targets and objectives especially on volume of water used will be established. We have also established a Health, Safety, and Environment (HSE) Committee to monitor the effectiveness of water consumption monthly.

Effluent and Waste

At Koh Brothers, we recognise that waste water discharges/chemical spillage/oils, fuels, etc. are classified as industrial wastes, which cannot be decomposed easily and will contaminate the earth. The environment will be severely affected leading to non-fertile earth and undesirable living conditions. Effluent and waste (eg chemical spillage, improper toxic waste disposal) are highly regulated by government. As such, we closely monitor and report effluent discharges and waste management activities at various frequencies, and are tracked by internal and external groups of stakeholders.

We have established and maintained a system to guide the handling and disposal of effluents and wastes as follow:

- To comply with applicable legal and environmental regulations
- To minimize environmental impacts and occupational health & safety hazards associated with the handling and disposal of toxic industrial waste
- To maximise the usage of resources through 3R (ie Reduce, Reuse and Recycle) approaches in the handling of waste disposal

Over the years, we have established waste collection points and methods of the storage. The following measures have been set up:

- To ensure the waste containers are appropriately identified and placed as close to the generators or source of the waste,
- Where appropriate, to designate a "recycle area/container" for recyclable wastes (e.g. paper recycling, scrap rebar collection bins)
- To establish an agreement with licensed waste collectors or recyclers, and to collect waste (eg concrete hard core, timbers, paper, general wastes, food wastes, etc.)

BOARD OF DIRECTORS



KOH TIAT MENG
Executive Chairman

Mr Koh Tiat Meng is the Executive Chairman of Koh Brothers Group Limited (the “Company” and together with its subsidiaries, the “Group”). He was appointed a Director on 2 February 1994 and was last re-elected on 27 April 2016. He is the Chairman of the Executive Committee.

Mr Koh founded the Group in 1966 and has more than 45 years of experience in the construction industry. He was the driving force in charting the strategic expansion of the Group’s businesses in Construction, Building Materials, Real Estate and Leisure & Hospitality as well as spearheading its activities into China, Malaysia, Indonesia and Vietnam.

In 2009, Mr Koh was awarded the Public Service Medal (PBM) by the President of Singapore for his contributions to social and community services.



KOH TEAK HUAT
Executive Deputy Chairman

Mr Koh Teak Huat is the Executive Deputy Chairman of the Company. He was appointed Director on 2 February 1994 and was last re-elected on 29 April 2015. He is the Deputy Chairman of the Executive Committee.

Mr Koh joined the Group in 1970 and was a major contributor to the growth of the Group’s core businesses. He has more than 40 years of experience in the construction industry,

with in-depth expertise in managing drainage, excavation and reclamation projects.

Mr Koh was conferred the title of Dato’ Paduka Mahkota Terengganu Yang Kehormet, D.P.M.T. by the Sultan of Terengganu, Malaysia on 29 April 1994.



KOH KENG SIANG (FRANCIS)
Managing Director and Group CEO

Mr Koh Keng Siang is the Managing Director and Group Chief Executive Officer of the Company. He was appointed a director on 5 May 1994 and was last re-elected on 29 April 2005. He was appointed as the Managing Director and Group CEO on 12 January 2007. He is a member of the Executive Committee and the Nominating Committee.

Mr Koh has been with the Group since 1987 and has held various positions in administration, finance and project management. He was the main driving force behind the expansion of the Group’s business into Real Estate and Leisure & Hospitality. He is credited with spearheading the Group to establish its brand name in Singapore as a builder of quality homes.

Mr Koh holds a Master of Business Administration from the National University of Singapore and a Bachelor of Engineering (Honours) from the University of Birmingham. He was conferred the Best Executive Award 1997-1998 by His Excellency, The State Minister of Industry and Trade of the Republic of Indonesia, Mr Ir T Airwibowo. He was also conferred the Promising SME 500 (Distinguished Business Leader of the year) in 2014 and was named the Real Estate Personality of the year 2016.

Mr Koh is also the Non-Executive and Non-Independent Chairman of Koh Brothers Eco Engineering Limited and a counsel member of the Teochew Federation Council.



KOH KENG HIONG (JOSEPH)

Executive Director and Deputy CEO
(Real Estate and Leisure & Hospitality divisions)

Mr Koh Keng Hiong is an Executive Director of the Company. He was appointed a Director on 7 February 2007 and was last re-elected on 27 April 2016. He is a member of the Executive Committee.

Mr Koh began his career with the Group in 1991 and involved in many key business development projects of the Group in Vietnam and Singapore. With over 20 years of experience, he has amassed an extensive portfolio of skills and capabilities spanning across a broad spectrum of businesses in hospitality and property. His vast array of expertise has seen him engaged in key corporate and operations functions such as strategic business management, corporate planning, sales and marketing, finance, human resource, information technology, as well as business development.

Mr Koh holds a Bachelor of Science with Honours in Business Administration (majoring in Finance) from the San Francisco State University, California, USA.



QUEK CHEE NEE

Non-Executive and Non-Independent Director

Mdm Quek Chee Nee is a Non-Executive and Non-Independent Director of the Company. She was appointed a Director on 2 February 1994 and was last re-elected on 27 April 2016.

Mdm Quek joined the Group in 1969 and assisted the Chairman in running the Group's construction activities when it was still undertaken as a sole proprietorship. She played a pivotal role in helping the Group corporatise its businesses and achieve major success before relinquishing her executive role.

Mdm Quek has more than 40 years of experience in the construction industry and contributed significantly to the Group's growth.



LEE SOK KHIAN JOHN

Non-Executive and Non-Independent Director

Mr Lee Sok Khian John is a Non-Executive and Non-Independent Director of the Company. He was appointed a Director on 9 May 2016.

Prior to Mr Lee's appointment as a Director of the Company, he was the Company's Chief Financial Officer and Company Secretary. He has an extensive experience in management, corporate, accounting and finance functions in various industries.

Mr Lee is a Fellow of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants. He is also an Associate of the Chartered Institute of Management Accountants and the Chartered Secretaries Institute of Singapore.

Mr Lee is currently an Executive Director of Hatten Land Limited.

BOARD OF DIRECTORS



ER DR LEE BEE WAH
Lead Independent Director

Er Dr Lee Bee Wah is an Independent Director of the Company. She was appointed a Director on 1 July 2015 and was last re-elected on 27 April 2016. She was appointed as the Lead Independent Director on 20 June 2016 and is the Chairperson of the Audit and Risk Committee.

Er Dr Lee is a Licensed Professional Engineer who made history at the Institution of Engineers Singapore by becoming its first woman President in 2008. She is also the first Singaporean to be awarded Honorary Fellow of the Institution of Structural Engineers, United Kingdom.

Er Dr Lee is a Honorary Fellow Member of the Institution of Engineers Singapore and a Board Member of the Professional Engineers Board, Singapore. She holds a Master of Science (Engineering) from the University of Liverpool and a Bachelor of Civil Engineering from Nanyang Technological University. She was conferred an Honorary Doctorate by The University of Liverpool in July 2011.

Er Dr Lee is currently the Group Director of Meinhardt (Singapore) Pte Ltd, a leading global engineering, planning and management consultancy firm headquartered in Singapore. Prior to this, she was the Principal Partner of LBW Consultants LLP, before the acquisition by Meinhardt Group.

Er Dr Lee has been an elected Member of Parliament (“MP”) since 2006 and is currently a MP for Nee Soon GRC. As a MP, she has brought up many issues in Parliament to improve the standing of the engineering profession in Singapore. These ranged from the salaries of engineers to the implementation of green engineering in building structures. Many of her suggestions had subsequently become national policies. She was the chairman of the Government Parliamentary Committee (GPC) for National Development and currently chair the GPC for Ministry of Environment and Water Resources.

Er Dr Lee was the President of the Singapore Table Tennis Association (“STTA”) from 2008 to 2014. During her tenure, STTA had put Singapore on the global sporting map, winning regional and international awards, including medals in the 2008 Beijing Summer Olympics and in the 2012 London Olympics. She is currently the Adviser to the STTA and has been an Adviser to the Singapore Swimming Association since 2014.

Er Dr Lee is also the non-Executive Chairman of the Publicly-Listed TEE Land Pte Ltd., an integrated real estate group with its operations in Singapore and the region.



LING TECK LUKE
Independent Director

Mr Ling Teck Luke is an Independent Director of the Company. He was appointed a Director on 28 May 2003 and was last re-elected on 27 April 2016. He is the Chairman of the Nominating Committee and a member of the Audit and Risk Committee, the Remuneration Committee and the Share Purchase Committee.

Mr Ling holds a Bachelor of Science in Engineering from the University of Bristol. He has also attained other professional qualifications such as MIE(S), MIE(M) and PE(Civil). In 1966, he was awarded a post-graduate training on flood alleviation works in the United Kingdom and in 1969, a scholarship to do a general course at the Asian Institute of Economic Development & Planning in Bangkok.



LAI MUN ONN

Independent Director

Mr Lai Mun Onn is an Independent Director of the Company. He was appointed a Director on 30 July 1994 and was last re-elected on 30 April 2014. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee, the Nominating Committee and the Share Purchase Committee.

Mr Lai graduated from the University of London with a Bachelor of Law with Honours and obtained his Barrister-at-Law from Lincoln's Inn. In 1982, he was admitted as an Advocate and Solicitor of the Supreme Court of Singapore. He is presently a Notary Public and Commissioner for Oaths, and a member of the Singapore Institute of Arbitrators. He is a member of the Governing Council of the Singapore Golf Association, the Honorary Legal Advisor to the Basketball Association of Singapore and the President of the Keppel Club.

Mr Lai is the Managing Partner of Lai Mun Onn & Co., a law firm in Singapore. He is also an Independent Director of Super Group Ltd.



GN HIANG MENG

Independent Director

Mr Gn Hiang Meng is an Independent Director of the Company. He was appointed a Director on 16 August 2007 and was last re-elected on 27 April 2016. He is the Chairman of the Share Purchase Committee and a member of the Audit and Risk Committee, the Remuneration Committee and the Nominating Committee.

Mr Gn was with the United Overseas Bank Group for 28 years and till his resignation in 2001, was the Senior Executive Vice President in charge of investment banking and stock-broking businesses. Prior to his retirement in 2007, he was the Deputy President of UOL Group Limited.

Mr Gn graduated with a Bachelor in Business Administration with Honours from the then University of Singapore.

Mr Gn is also an Independent Director of Centurion Corporation Limited, Haw Par Corporation Limited, Singhaiyi Group Ltd and Tee International Limited.



OW YONG THIAN SOO

Independent Director

Mr Ow Yong Thian Soo is an Independent Director of the Company. He was appointed a Director on 20 June 2016.

Mr Ow Yong is a Senior Partner of the law firm, Lee & Lee, and is the Head of its Real Estate Department. His practice covers a wide range of real estate and financing transactions relating to commercial industrial and residential properties.

Mr Ow Yong was admitted to the Singapore Bar in 1982. He was made a Partner of Lee & Lee in 1984 and an Equity Partner in 1985.

SENIOR MANAGEMENT



Shin Yong Seub (Paul)

Chief Executive Officer
(Koh Brothers Eco Engineering Limited)

Mr Shin was appointed the Chief Executive Officer (CEO) of the Koh Brothers Eco Engineering Limited in 2015. Prior to joining the Group, Mr Shin was the Head of Southeast Asia for Samsung C&T Corporation from 2010 to 2015. He was also previously the Vice President and General Manager of the Global Marketing and Operations Division of Samsung C&T Corporation at the Seoul Headquarters from 2004 to 2009. From 1997 to 2004, Mr Shin was the General Manager for Samsung Corporation (E&C Group) in Singapore and the Managing Director for Samsung Singapore's Regional Office for Southeast Asia.

Mr Shin holds a Bachelor of Arts degree in International Business from Hankuk University of Foreign Studies in Korea, as well as a Bachelor of Arts in Middle East Politics & Economics from King Saud University. He also has a Master's degree in International Business Administration from Korea University.

Yong Khai Weng (Henry)

Managing Director
(Oiltek Sdn. Bhd.)

Mr Yong is the Managing Director of Oiltek Sdn. Bhd., a subsidiary of KBE. He oversees the group operations and expansion in the edible oil, bio-refinery and bio-energy engineering sectors. Mr Yong graduated from the University of Malaya with a Bachelor's degree in Chemical Engineering with First Class Honours in 1997. He has over 19 years of experience in the palm oil industry covering a wide horizon of areas including palm oil refining, biofuels (e.g. biodiesel and biogas), and the whole vertical downstream integration. His profession and expertise include corporate and operational management, project sales and marketing, strategy and planning, process design and management, research and process development as well as key client portfolio management. Mr Yong is also the winners of Super Outstanding Entrepreneur, Asia Success Award 2013 and Asia Honesty Entrepreneur Award 2014.

Tan Soon Pow (Alan)

Chief Executive Officer, Building Materials Division

Mr Tan joined the Building Materials division as a Group General Manager in 1995. He was the principal driving force behind the expansion of this division. In recognition of his contributions and expertise, he was progressively promoted to his current position of Chief Executive Officer of the Building Materials division in 2010. He is responsible for strategic business development, planning and overall performance at this division. Mr Tan has more than 45 years of extensive experience in management positions spanning over 3 industries namely Marine, Construction and Building Materials. He has been actively involved in the Building Materials industry and is the current Vice President and designated President of the Cement and Concrete Association of Singapore. He was also previously the President of the Ready Mix Concrete Association of Singapore.

Koh Siew Kiang

Chief Executive Officer
(G&W Ready-Mix Pte Ltd/G&W Industries Pte Ltd)

Mdm Koh joined the Group in 1981. She was transferred from the Group's Construction unit to the Building Materials unit in 1994 and was subsequently promoted to General Manager. She was appointed Chief Operations Officer of the Building Materials unit in 2010 and headed its Productivity & Innovation Center. She was also promoted to Director of the Construction division in 2012. In 2015, she was appointed to her current position as Executive Director, Building Materials division. Mdm Koh has more than 35 years of experience in the construction industry and holds a Bachelor of Civil Engineering from the University of Glasgow.

Bernard Wong Ee Yu

Executive Director, Real Estate Division

Mr Wong joined the Group as an Executive Director, Real Estate division in 2012 and is responsible for overseeing the overall operations, business performance and growth of this division. Mr Wong has more than 20 years of engineering and management experience in the property sector. Prior to joining the Group, he held senior and management positions with various property developers in Malaysia. He holds a Bachelor of Engineering with Honours in Civil Engineering from the University of Birmingham.



Goh Poh Khim

Executive Director, Construction Division

Mr Goh joined the Group's Construction unit in 2002 as an Assistant General Manager (Projects). He managed some of the Group's prestigious projects (such as Marina Barrage). He was promoted to his current position in 2008 overseeing all its building related projects. He is responsible for the performance and growth of the building section under the Construction division. Mr Goh has more than 30 years of project management experience in the construction industry and held senior positions in various construction companies. He holds a Bachelor in Business from the Royal Melbourne Institute of Technology, Australia and an Executive MBA from the National University of Singapore.

Koh Keng Seng

Executive Director, Construction Division

Mr Koh joined the Group in 1992 and has grown with the Construction division. He now heads the Machinery/Equipment/Logistics department of the Construction division. He is responsible for overseeing the logistics, workshop, machinery and equipment functions. Mr Koh has more than 24 years of experience in the construction industry and is involved in various projects under the division.

Ong Kien Soo

Executive Director, Construction Division

Mr Ong joined the Construction division as Contracts Manager in 2010. He is responsible for overseeing the overall operations of the Contract Department. His portfolio includes post contract administration and tendering of building and infrastructure projects. Mr Ong has more than 35 years of experience in the construction industry and has held senior positions in various construction companies. He was promoted to his current position of Executive Director in 2016. He holds a Bachelor of Applied Science in Construction Management and Economics from Curtin University.

Chan Ping Meng

Executive Director, Building Materials Division

Mr Chan joined the Building Materials division as an Operations Manager in 1997. He was promoted to Executive Director of G & W Precast Pte Ltd and G & W Building Materials Sdn. Bhd. in 2013. He has more than 30 years of experience in precast concrete operations. He has been involved in precasting for a wide variety of projects and from civil engineering, building and marine construction. Mr Chan holds a Diploma in Civil Engineering from the Singapore Polytechnic and a Specialist Diploma in Precast Concrete Construction from the Building and Construction Authority, Singapore.

Tay Tze Wen (Sammi)

Financial Controller

Ms Tay joined the Group in 2006 and was promoted to her current position of Financial Controller in May 2016. She is responsible for the Group's financial affairs including accounting, finance, treasury, taxation as well as risk management. Ms Tay has over 15 years of experience in auditing, accounting and finance. She holds a Bachelor of Commerce in Accounting and Finance from Monash University of Australia. She is also a Chartered Accountant of ISCA and member of CPA Australia.

Sharon Kem

Company Secretary

Ms Kem rejoined the Group in March 2016 as the Company Secretary and oversees the Group's corporate secretarial function. Her portfolio includes treasury and corporate compliance. She has over 15 years of secretarial and compliance experience. She graduated from the University of Tasmania with a Master of International Business. She is a Fellow of the Association of the Chartered Certified Accountants and an Associate of the Chartered Secretaries Institute of Singapore.

Adrian Ruzsicska

IT Director

Mr Ruzsicska joined the company as a Group IT Manager in 2009. He is responsible for overseeing the Group IT function and establishing IT and management information systems standards, strategy and policies. He was promoted to the Group IT Director in 2015. He has more than 20 years of relevant experience in the IT and telecommunication industry. He holds a Bachelor of Science in Computer Science from Northern Territory University and a Master of Business Administration from the National University of Singapore.

CORPORATE INFORMATION



REGISTERED OFFICE

11 Lorong Pendek
Koh Brothers Building
Singapore 348639
Tel: (65) 6289 8889
Fax: (65) 6841 5400
Website: www.kohbrothers.com

BOARD OF DIRECTORS

Koh Tiat Meng
(Executive Chairman)

Koh Teak Huat
(Executive Deputy Chairman)

Koh Keng Siang (Francis)
(Managing Director & Group CEO)

Koh Keng Hiong
(Executive Director and Deputy CEO,
Real Estate and Leisure & Hospitality divisions)

Quek Chee Nee
(Non-Executive and Non-Independent Director)

Lee Sok Khian John
(Non-Executive and Non-Independent Director)

Er Dr Lee Bee Wah
(Lead Independent Director)

Ling Teck Luke
(Independent Director)

Lai Mun Onn
(Independent Director)

Gn Hiang Meng
(Independent Director)

Ow Yong Thian Soo
(Independent Director)

EXECUTIVE COMMITTEE

Koh Tiat Meng (Chairman)
Koh Teak Huat
Koh Keng Siang
Koh Keng Hiong

AUDIT AND RISK COMMITTEE

Er Dr Lee Bee Wah (Chairperson)
Ling Teck Luke
Lai Mun Onn
Gn Hiang Meng

NOMINATING COMMITTEE

Ling Teck Luke (Chairman)
Lai Mun Onn
Gn Hiang Meng
Koh Keng Siang

REMUNERATION COMMITTEE

Lai Mun Onn (Chairman)
Ling Teck Luke
Gn Hiang Meng

SHARE PURCHASE COMMITTEE

Gn Hiang Meng (Chairman)
Ling Teck Luke
Lai Mun Onn

COMPANY SECRETARY

Sharon Kem

GROUP CORPORATE COMMUNICATIONS MANAGER

David Tay

AUDITORS

PricewaterhouseCoopers LLP
(Certified Public Accountants)
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge: Yeow Chee Keong
(appointed during the financial year ended
31 December 2015)

SHARE REGISTRAR

Tricor Barbindar Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

INVESTOR RELATIONS

Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street #02-01
Singapore 048941
Contact Person: Dolores Phua/Amelia Lee
Tel: (65) 6534 5122



FINANCIAL HIGHLIGHTS

Results of operations for the year ended 31 December				
	2016	2015	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
				Restated
Sales	345,720	427,320	395,145	359,110
Profit before income tax	17,278	36,643	33,806	25,116
Income tax expense	(2,398)	(7,230)	(5,145)	(2,691)
Profit after income tax	14,880	29,413	28,661	22,425
Attributable to:				
Equity holders of the Company	13,315	27,878	29,529	21,330
Non-controlling interests	1,565	1,535	(868)	1,095
	14,880	29,413	28,661	22,425
Financial position as at 31 December				
	2016	2015	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
				Restated
Property, plant and equipment	108,879	102,173	85,978	87,063
Investments in associated companies	1,347	1,452	1,522	1,510
Investments in joint ventures	77,196	63,950	50,884	55,641
Other long-term assets	110,971	99,476	104,405	87,567
Net current assets	105,488	123,500	209,738	147,731
Long-term finance leases	(2,755)	(1,531)	(2,697)	(3,201)
Long-term bank borrowings	(58,963)	(60,569)	(138,081)	(136,107)
Other long-term liabilities	(65,958)	(61,868)	(66,814)	(11,302)
	276,205	266,583	244,935	228,902
Share capital	36,981	42,653	45,320	45,320
Retained profits	243,087	235,916	211,365	184,918
Treasury shares	(7,614)	(12,919)	(13,061)	(5,795)
Other reserves	(8,158)	(8,445)	(7,935)	(5,945)
Share capital and reserves	264,296	257,205	235,689	218,498
Non-controlling interests	11,909	9,378	9,246	10,404
Total equity	276,205	266,583	244,935	228,902
Key ratios				
Return on equity (%)	5.04	10.84	12.50	9.80
Earnings per share (in cents)	3.21	6.69	6.76	4.67
Net tangible assets per share (in cents)	62.66 ¹	60.76 ²	54.53 ³	47.83 ⁴
Dividend per share (in cents)	0.81	0.80	0.80	0.70

¹ based on the issued share capital excluding treasury shares of 413,680,000 shares

² based on the issued share capital excluding treasury shares of 414,980,000 shares

³ based on the issued share capital excluding treasury shares of 422,887,400 shares

⁴ based on the issued share capital excluding treasury shares of 446,177,400 shares



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REPORT ON CORPORATE GOVERNANCE



The board of directors (the “Board”) of Koh Brothers Group Limited (the “Company”) is committed to ensuring that a high standard of corporate governance is practised throughout the Company and its subsidiaries (the “Group”). The Board believes that good corporate governance enhances shareholder value, corporate performance and accountability. This report discloses the corporate governance framework and practices that the Company has adopted, with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 (the “Code”). Where the Company’s practices differ from the recommendations under the Code, the deviations are explained in this report. The Board will continue to review the corporate governance policies regularly in order to further add value to stakeholders and enhance investor confidence.

1 BOARD MATTERS

Guideline

(“GL”)

The Board’s Conduct of Affairs

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

The Board comprises the following 11 directors (4 of whom are executive directors, 2 of whom are non-executive and non-independent directors, and the rest are independent directors):

GL 1.1

Koh Tiat Meng (Executive chairman)
Koh Teak Huat (Executive deputy chairman)
Koh Keng Siang (Managing director & Group chief executive officer (“CEO”))
Koh Keng Hiong (Executive director and deputy CEO (Real Estate and Leisure & Hospitality divisions))
Quek Chee Nee (Non-executive and non-independent director)
Lee Sook Khian John (Non-executive and non-independent director)
Er Dr Lee Bee Wah (Lead independent director)
Ling Teck Luke (Independent director)
Lai Mun Onn (Independent director)
Gn Hiang Meng (Independent director)
Ow Yong Thian Soo (Independent director)

The Board assumes responsibility for stewardship of the Group. Its primary objective is to protect and enhance shareholder value. The Board’s role is to, *inter alia*,

- (a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives
- (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed (including safeguarding shareholders’ interests and the Company’s assets)
- (c) approve major investment and funding decisions
- (d) review and evaluate Management’s performance
- (e) set the Company’s values and standards
- (f) consider sustainability issues (eg: environmental and social factors) as part of its strategic formulation

All directors are expected to objectively discharge their duties and responsibilities, and consider the interests of the Company at all times.

GL 1.2



The Board has established the following committees which assist the Board in executing its duties according to clearly defined terms of reference: GL 1.3

- (a) Executive Committee (“EC”)
- (b) Audit and Risk Committee (“ARC”)
- (c) Nominating Committee (“NC”)
- (d) Remuneration Committee (“RC”)
- (e) Share Purchase Committee (“SPC”)

The Board delegates the formulation of business policies and day-to-day management to the managing director & Group CEO (“MD & Group CEO”) and executive directors.

The EC comprises 4 executive directors. It is responsible for the supervision and management of the Group’s core businesses. The EC reviews and monitors budgets and management reports on financial performance, position and prospects of the Group.

The SPC comprises 3 independent directors. It is responsible for all decision making relating to share repurchases.

Details of the ARC, NC and RC are set out in other sections of this report.

The Board meets at least 4 times a year and convenes additional meetings when warranted by particular circumstances. GL 1.4

A record of the directors’ attendance at Board and its committee meetings in 2016 is disclosed below.

	BOARD	EC	ARC	NC	RC	SPC
No. of meetings held in 2016	5	6	4	1	1	4
Koh Tiat Meng	3/5	5/6	-	-	-	-
Koh Teak Huat	3/5	4/6	-	-	-	-
Koh Keng Siang	5/5	6/6	-	1/1	-	-
Koh Keng Hiong	5/5	6/6	-	-	-	-
Quek Chee Nee	5/5	-	-	-	-	-
Ling Teck Luke	5/5	-	4/4	1/1	1/1	4/4
Lai Mun Onn	5/5	-	4/4	1/1	1/1	4/4
Gn Hiang Meng	5/5	-	4/4	1/1	1/1	4/4
Er Dr Lee Bee Wah ¹	5/5	-	2/2	-	-	-
Lee Sok Khian John ²	4/4	-	-	-	-	-
Ow Yong Thian Soo ³	3/3	-	-	-	-	-

¹ Er Dr Lee Bee Wah was appointed a member and the chairperson of the ARC on 20 June 2016.

² Mr Lee Sok Khian John was appointed a director of the Company on 9 May 2016.

³ Mr Ow Yong Thian Soo was appointed a director of the Company on 20 June 2016.

The Board is of the view that the contributions of each director should not be based only on his attendance at Board and/or Board committee meetings. A director’s contributions may also extend beyond the formal environment of Board meetings, such as through sharing of views, advice, experience and strategic networking relationships which would further the interests of the Group.

REPORT ON CORPORATE GOVERNANCE



The Company's constitution allows directors to consider and approve resolutions by written means. The Board will be seeking shareholders' approval at the upcoming annual general meeting ("AGM") for adopting a new constitution which will include a provision for telephonic and video-conference meetings.

The Company has adopted internal controls and guidelines setting forth matters that require the Board's approval. These matters relate, *inter alia*, to: GL 1.5

- (a) corporate or financial restructurings
- (b) material acquisitions and disposals of assets which are outside the ordinary course of business
- (c) dividend payments
- (d) financial results announcements
- (e) bank borrowings and provision of corporate guarantees

The Board also approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board committees and the Management via a structured delegation of authority matrix (ie: Group Limits of Authority ("GLA")), which is reviewed, and revised when necessary.

The GLA provides clear guidance and directions to Management on matters requiring the Board's specific approval. These matters include, but are not limited to:

- (a) material acquisitions and disposals of assets/investments
- (b) corporate/financial restructuring/corporate exercises
- (c) budgets/forecasts
- (d) material financial/funding arrangements and expenditures

The Company has in place an orientation programme for all newly appointed directors. This is to ensure that they are familiar with the Group's structure, business and operations, corporate governance practices, and their duties as directors. Where appropriate, the Company will also provide first-time directors with training in areas such as accounting, legal and industry-specific knowledge. GL 1.6

The Board is updated on relevant new laws, regulations and changing commercial risks from time to time. Directors are encouraged to attend training sessions, courses and seminars conducted by external consultants and institutions at the Company's expense.

Each newly appointed director will receive a formal letter of appointment, setting out among other things, his duties and obligations. In addition, an information pack containing the Group's organisation structure, the Company's constitution, Management's contact details and recent minutes of Board meetings will be provided to the director. GL 1.7

Board Composition and Guidance

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

The Board comprises 11 directors, of whom 5 are independent directors, 2 are non-executive and non-independent directors and the rest are 4 executive directors. The Board is of the view that there is a strong and independent element on the Board, with independent directors making up more than the number of executive directors. No individual or small group of individuals is dominating the Board's decision making. GLs 2.1 and 2.2



The NC reviews and assesses the independence of each director, taking into account examples of the relationships set out in the Code, and the director's ability to act with independent judgement and to discharge his duties objectively. Each independent director is required to complete a director's independence checklist which is drawn up based on the guidelines provided in the Code. The NC reviews and assesses the director's independence before presenting its recommendations to the Board for consideration and endorsement. GL 2.3

During the financial year under review, the Group had received notarial public and commissioner for oaths services rendered from M/s Lai Mun Onn & Co ("LMOC"), of which Mr Lai Mun Onn has an interest. The Board is of view that Mr Lai's independence has not been compromised as the aggregate value of the transactions during FY2016 was not significant in the context of both the Company's and LMOC's revenues. The Board believes that Mr Lai is able to exercise strong independent judgement in his deliberations and act in the interests of the Company.

Mr Ow Yong Thian Soo is a partner of Lee & Lee ("L&L") which had rendered services to the Group during FY2016. The Board considers that Mr Ow Yong's independence has not been compromised as the aggregate value of the transactions during FY2016 was not significant in the context of both the Company's and L&L's revenues. The Board believes that Mr Ow Yong is able to exercise strong independent judgement and act in the interests of the Company.

Based on the NC's recommendations, the Board has determined that the following directors are considered independent directors:

Er Dr Lee Bee Wah
Ling Teck Luke
Lai Mun Onn
Gn Hiang Meng
Ow Yong Thian Soo

Mr Ling Teck Luke, Mr Lai Mun Onn and Mr Gn Hiang Meng have served on the Board for more than 9 years. The Board had conducted a rigorous review on their status and considered them to be independent directors of the Company. They have consistently exercised strong independent judgement in their deliberations. The Board believes that they have acted and will continue to act in the best interests of the Company. In addition, their knowledge, experience and contributions have been valuable to the Company. GL 2.4

The Board, having examined the scope and nature of the Group's business and operations, is of the view that the current Board size is appropriate for facilitating effective decision making. The Board will restructure the Board's and its committees' compositions, if warranted, to meet the changing needs and demands of the Group's business and operations. GL 2.5

Directors have been appointed based on the strength of their calibre, expertise and experience. Board members comprise business leaders and professionals with finance, legal and industry knowledge. The Board, in concurrence with the NC, is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. GL 2.6

The Board currently comprises 7 non-executive directors who constructively challenge and help develop strategies for the Group. The non-executive directors also review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. GL 2.7



The independent directors meet up at least once annually, without the presence of the Management to facilitate an effective check on the Management. GL 2.8

Chairman and Chief Executive Officer

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

Mr Koh Tiat Meng is the executive chairman of the Board of the Company. The Board has appointed Mr Koh Keng Siang, who is the son of the executive chairman, as the MD & Group CEO. GL 3.1

The Board is of the view that it may not be in the best interest of the Company for the division of responsibilities between the executive chairman and the MD & Group CEO to be clearly established and set out in writing as the MD & Group CEO assists the executive chairman in his work from time to time. This is to ensure that the decision-making process of the Group would not be hindered unnecessarily. Both the executive chairman and the MD & Group CEO have executive responsibilities of the Group's businesses and operations. They are accountable to the Board. All major business proposals and decisions made by the executive chairman and the MD & Group CEO are discussed and reviewed by the Board.

The executive chairman (assisted by the MD & Group CEO) is responsible for the Board's proceedings. He leads the Board to ensure its effectiveness on all aspects of its roles, promotes a culture of openness and debates at the Board, facilitates effective communication with shareholders, encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of each director and promotes high standards of corporate governance. With the assistance of the company secretary, he sets the agenda and ensures that the Board members are provided with complete, adequate and timely information of all agenda items. GL 3.2

Er Dr Lee Bee Wah is the lead independent director whom shareholders may approach when they have concerns and for which contact through the normal channels of the executive chairman, the MD & Group CEO, or the Financial Controller has failed to resolve or is inappropriate. GL 3.3

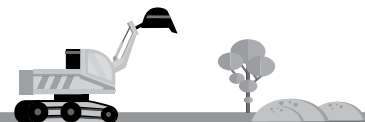
The independent directors will confer among themselves (when necessary) and provide feedback to the executive chairman as appropriate. GL 3.4

Board Membership

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

The NC comprises the following members, the majority of whom, including the chairman, are independent directors: GL 4.1

Ling Teck Luke (Chairman)
Lai Mun Onn
Gn Hiang Meng
Koh Keng Siang



The primary role of the NC is to make recommendations to the Board on all Board appointments. Its role is, *inter alia*, to:

- (a) review board succession plans for the directors
- (b) ensure that a process for evaluating the performance of the Board, its Board committees and directors is in place
- (c) review training and professional development programs for the Board
- (d) make recommendations on the appointments and re-appointments of directors

The NC ensures that the Board has the right balance of skills, knowledge and experience critical to the Group's business and evolving needs. Important issues that are also considered by the NC for the selection, appointment and re-appointment of a director include the current Board's composition and each director's contributions and competencies, and the need for progressive renewal of the Board. GL 4.2

Pursuant to Article 109 of the Company's constitution, one-third of the directors (other than the Managing Director) shall retire from office at every AGM provided always that each director (except the Managing Director) is required to retire from office at least once in every three years. A retiring director is eligible to offer himself for re-election.

Article 119 of the Company's constitution provides that a newly appointed director is required to retire and submit himself for re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation in accordance with the Company's constitution.

The NC assesses annually and as and when circumstance require, whether or not a director is independent based on the guidelines set out in the Code and any other salient factors. GL 4.3

The Board has not determined the maximum number of listed company board representations which any director may hold. The Board is of the view that directors who have multiple board representations have thus far devoted sufficient time and attention to the affairs of the Group. Their multiple board representations and other principal commitments have not hindered their ability to carry out their duties as directors of the Company. Such multiple board representations of the directors benefit the Group as the directors are able to bring with them the experience and knowledge obtained from such board representations in other companies. GL 4.4

The Board does not encourage the appointment of an alternate director. No alternate director is currently being appointed to the Board. GL 4.5

The Board has adopted a process for the selection, appointment and re-appointment of a director. The NC reviews the composition of the Board and its committees periodically. It assesses and shortlists candidates (sourced through contacts, recommendations, recruitment consultants or among the senior management) for a new position on the Board when a need arises. The successful candidate is then appointed as a director of the Company in accordance with the Company's constitution. GL 4.6

In appointing and re-appointing directors, the Board considers the skills and experience required in the light of:

- the geographical spread and diversity of the Group's business
- the strategic direction and progress of the Group
- the current composition of the Board
- the need for independence of the Board



The following directors are due for retirement, and will be offering themselves for re-election at the forthcoming AGM: GL 4.7

Koh Tiat Meng
Koh Teak Huat
Lai Mun Onn
Lee Sok Khian John
Ow Yong Thian Soo

Key information on the directors is set out under the “Board of Directors” section of the annual report for the year ended 31 December 2016 (the “Annual Report”).

Board Performance

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

The Board has implemented a process to be carried out by the NC for assessing its effectiveness as a whole and for assessing the contribution by each director to the effectiveness of the Board and its committees. GL 5.1

The NC reviews the Board’s and each director’s competency appraisal forms as part of the process adopted to assess the effectiveness of the Board. The outcomes of the appraisal exercise are presented to the Board for its evaluation with a view to enhance the effectiveness of the Board.

Each NC member shall abstain from voting on the resolution in respect of the assessment of his performance or re-nomination as a director.

The NC reviews the Board’s performance annually based on the appraisal forms which have been approved by the Board. GL 5.2

The NC assesses the Board’s performance through comparison with industry peers, how the Board’s performance has enhanced long-term shareholder value, its ability to steer the Group in the right direction and the support it renders to the Management.

The NC also evaluates each individual director’s performance based on factors such as the director’s participation, knowledge of the Group’s business and operations, contributions and commitments to the Company. GL 5.3

The executive chairman (with the assistance of the MD & Group CEO), where appropriate, will act on the results of the performance evaluation and propose, where appropriate, new members to the Board or seek the resignation of directors.

Access to Information

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



All directors have access to complete, adequate and timely information and resources, and have separate and independent access to the Management. Directors are provided with meeting papers which set out the relevant background and information in order for them to have a comprehensive understanding of the issues to be deliberated upon. Management will address directors' queries and provide further insights into matters concerned (if needed) to enable the directors to make informed decisions.

GLs 6.1 and 6.2

Directors have separate and independent access to the company secretary. The company secretary attends all Board and board committee meetings, and is responsible for ensuring that the meeting and other Board procedures are followed and the applicable rules and regulations are complied with. Under the direction of the executive chairman, the company secretary is responsible for, *inter alia*, (i) ensuring an effective flow of information within the Board and its Board committees and between the Management; (ii) facilitating orientation and (iii) assisting with professional development, as required. The company secretary also assists the Board in implementation and upkeep of good corporate governance and best practices across the Group.

GL 6.3

The appointment and the removal of the company secretary are matters taken by the Board as a whole.

GL 6.4

In the event that the directors (either individually or as a group) require independent professional advice in the furtherance of their duties, the company secretary will, upon approval by the Board, appoint a professional advisor to render such services. The cost of the services will be borne by the Company.

GL 6.5

2 REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The RC comprises the following directors, all of whom are independent directors:

GL 7.1

Lai Mun Onn (Chairman)
Ling Teck Luke
Gn Hiang Meng

The key responsibilities of the RC are to:

GL 7.2

- (a) review and recommend to the Board for endorsement a framework of remuneration for the Board and key members of the Management, and the remuneration package for each executive director and each key member of the Management
- (b) review and recommend to the Board for endorsement the terms of the service contract for each executive director as well as each key member of the Management
- (c) ensure that there is an adequate disclosure on the remuneration of directors and key members of the Management



The RC covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind.

The RC will seek internal or external expert advice in furtherance of its duties whenever there is a need for such consultation. No individual director is involved in deciding his own remuneration. GL 7.3

The RC reviews the executive directors' and key Management members' contracts of service to ensure that their contracts of service contain fair and reasonable termination clauses which are not overly generous. GL 7.4

Level and Mix of Remuneration

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

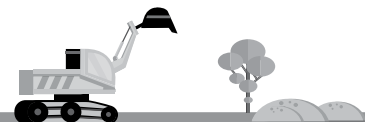
The Company recognises that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. The Company has adopted a remuneration structure for executive directors and key members of the Management that is aligned with the long-term interest and risk policies of the Company. The RC ensures that the executive directors' and key Management members' remuneration commensurate with their performance and that of the Group's, taking into consideration the prevailing financial and commercial health and business needs of the Group. GLs 8.1 and 9.6

Executive directors receive directors' fees and are remunerated as members of the Management. The remuneration package of each executive director/key Management member comprises a basic salary component and a variable component (ie: annual bonus) which is based on the performance of the Group as a whole and each individual performance. This is to ensure that each executive director's/key Management member's remuneration links to corporate and individual performance.

Each executive director's service contract is for a fixed appointment period and does not contain onerous removal clauses.

The Company currently does not have any share-based compensation schemes or long-term schemes involving the offer of shares or options. GL 8.2

The Company will be seeking shareholders' approval at the forthcoming AGM for the payment of S\$467,000 as directors' fees for FY2016. In determining the proposed fees, the Board took into account factors such as efforts and time spent, and the increasingly onerous responsibilities of directors. GL 8.3



The Company currently does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key members of the Management in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group.

GL 8.4

Disclosure on Remuneration

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

Due to the competitive pressures in the market, the Board has, on review, decided not to disclose the remuneration of directors and top 5 key Management members in the manner as required in the Code. The total remuneration paid to the directors of the Company and the top 5 executives of the Group in FY2016 was approximately S\$5,395,000.

GLs 9.1,
9.2 and
9.3

A breakdown of remuneration of each director of the Company by percentage for FY2016 is set out below:

Remuneration band	Director	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%)	Total (%)
S\$1,000,000 to S\$1,249,999	Koh Tiat Meng	14.0	61.0	23.7	1.3	100
	Koh Keng Siang	12.9	53.6	32.6	0.9	100
S\$750,000 to S\$999,999	Koh Teak Huat	7.2	74.5	15.5	2.8	100
S\$500,000 to S\$749,999	Koh Keng Hiong	11.0	66.5	19.8	2.7	100
Below S\$250,000	Quek Chee Nee	100	-	-	-	100
	Ling Teck Luke	100	-	-	-	100
	Lai Mun Onn	100	-	-	-	100
	Gn Hiang Meng	100	-	-	-	100
	Er Dr Lee Bee Wah	100	-	-	-	100
	Lee Sok Khian John	100	-	-	-	100
	Ow Yong Thian Soo	100	-	-	-	100

REPORT ON CORPORATE GOVERNANCE



A breakdown of remuneration of each of the top 5 executives of the Group (who are not directors of the Company) by percentage for FY2016 is set out below:

Remuneration band	Top 5 executives*	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%)	Total (%)
S\$250,000/- to S\$499,999/-	First Executive	3.1	77.3	18.1	1.5	100
	Second Executive	-	88.5	7.1	4.4	100
	Third Executive	-	85.1	12.3	2.6	100
	Fourth Executive	-	81.4	16.8	1.8	100
	Fifth Executive	-	80.6	19.3	0.1	100

* Their names are not disclosed in order to maintain confidentiality taking into consideration the competitive pressures in the talent market.

Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year are disclosed below:

Remuneration band	List of employees who are immediate family members of a director	GL 9.4
S\$100,000 to S\$149,999	¹ Phua Siew Gaik	
S\$50,000 to S\$99,999	² Erliana Sutadi	

¹ Mdm Phua Siew Gaik is the spouse of Mr Koh Keng Siang, the MD & Group CEO.

² Mdm Erliana Sutadi is the spouse of Mr Koh Keng Hiong, executive director and Deputy CEO (Real Estate and Leisure & Hospitality divisions).

The Company currently does not have any employee share scheme. GL 9.5

3 ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price-sensitive public reports, and reports to regulators (if required). GL 10.1

The Board ensures that the Company complies with the applicable legislative and regulatory requirements by establishing written policies (where appropriate) and reviewing all relevant compliance reports from Management. GL 10.2

The Management provides all Board members with financial reports with adequate explanation and information on the Group's performance, position and prospects on a quarterly basis and as the Board may require from time to time, enabling the Board to make a balanced and informed assessment. GL 10.3



Risk Management and Internal Controls

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

The Board will determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems. GL 11.1

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has engaged the services of PricewaterhouseCoopers LLP (the Company's external auditor) to assist in the Control Self-Assessment ("CSA") programme which has been implemented. The Board has tasked the ARC to review the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). GL 11.2

The Company's internal auditor ("IA"), KPMG Services Pte. Ltd, prepares, on an annual basis, the internal audit plan (taking into consideration the risks identified) which is approved by the ARC. The audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal controls system that have been put in place (including financial, operational, compliance and information technology controls). Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the ARC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

Based on the framework of risk management controls and internal controls established and maintained, the work performed by the IA and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the ARC, is of the view that the Group's risk management and internal control systems (including its financial, operational, compliance and information technology controls), are adequate and effective. The Board has received assurance from the MD & Group CEO, and the Financial Controller that: GL 11.3

- (1) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances
- (2) the Company's risk management and internal control systems are effective in addressing the material risks faced by the Group in its current business environment

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the IA. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being. GL 11.4



Audit Committee

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

The ARC comprises the following directors, all of whom are independent directors: GL 12.1

Er Dr Lee Bee Wah (Chairperson)
Ling Teck Luke
Lai Mun Onn
Gn Hiang Meng

The Board is of the view that the members of the ARC (including the Chairperson) have the requisite accounting and related financial management expertise and experience to discharge their duties. GL 12.2

The ARC is empowered to investigate any matter within its terms of reference. It has full access to and co-operation from Management, and unfettered discretion to invite any director or executive officer to attend its meetings. The ARC has been given adequate resources to enable it to discharge its duties and responsibilities. GL 12.3

The ARC carries out its functions in accordance with the Code and the Companies Act (the "Act"), and is also guided by its terms of reference. The ARC reviews, *inter alia*, the following: GL 12.4

- (a) annual audit plans (internal and external)
- (b) system of internal controls and management of financial risks
- (c) effectiveness and adequacy of the internal audit function which is outsourced to a professional services firm
- (d) regulatory compliance matters
- (e) risk management framework
- (f) interested person transactions
- (g) financial results announcements

The ARC also makes recommendations on the appointment, re-appointment and removal of auditors, and their remuneration.

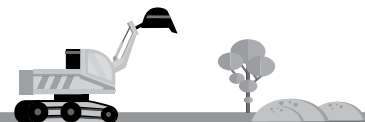
The ARC meets with the external and internal auditors at least once a year without the presence of the Management. GL 12.5

The ARC has reviewed all the non-audit services provided by the external auditors and is satisfied that such services would not, in the ARC's opinion, affect the independence of the external auditors. GL 12.6

A breakdown of the aggregate amounts of fees paid to the auditors is set out below:

Audit services:	Auditors of the Company	-	S\$ 576,563
	Other auditors	-	S\$ 8,053
Non-audit services:	Auditors of the Company	-	S\$ 87,746
	Other auditors	-	Nil

The Company has complied with Listing Rules 712, 715 and 716 of the Singapore Exchange Securities Trading Limited ("SGX-ST") in relation to appointments of auditing firms.



The Company has put in place a whistle-blowing policy (reviewed by the ARC) of which the employees of the Company may, in confidence, raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter without fear of retaliatory action. The independent directors of the Company have been appointed to review and carry out investigations on all such complaints and/or concerns raised. GL 12.7

The ARC held 4 meetings during FY2016 and performed its functions and responsibilities as set out in its terms of reference. GL 12.8

The ARC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions (including significant financial reporting issues). It also reviews the internal audit function to ensure that an effective system of controls is maintained within the Group.

The ARC is kept abreast by the Management and the external auditors of new changes to the accounting standards, Listing Rules of the SGX-ST, the Code and other regulations which could have an impact on the Group's businesses and financial statements.

No former partner or director of the Company's existing auditing firm is a member of the ARC. GL 12.9

Internal Audit

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

The Company has outsourced its internal audit function to a certified public accounting firm, KPMG Services Pte Ltd. The IA reports to the ARC Chairperson and has full access to the ARC, documents, records, properties and staff of the Group. GL 13.1

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard shareholders' interests and the Group's businesses and assets, while the Management is responsible for establishing and implementing internal control procedures in a timely and appropriate manner. The IA's role is to (i) assist the ARC in ensuring that the controls are effective and functioning as intended, (ii) undertake investigations as directed by the ARC, and (iii) conduct regular in-depth audits of high risk areas. GL 13.2

The ARC is satisfied that the internal audit function has adequate resources to perform its function effectively.

The ARC is satisfied that the IA is staffed by suitably qualified and experienced professionals with the relevant experience. GL 13.3

The IA is a member of the Singapore branch of the Institute of Internal Auditors ("IIA"), an internal professional association which has its headquarters in the United States. The audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by the IIA. GL 13.4

The IA plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. In addition, the IA may be involved in ad-hoc projects initiated by the Management and which require IA's assurance in specific areas of concerns. GL 13.5



4 SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

The Company is committed to treating all shareholders fairly and equitably. The Company recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements. GL 14.1

The Company ensures that there is adequate and timely disclosure of developments in the Group or its business which would have a material impact on the Company's shares price, and such disclosure is in compliance with SGX-ST listing rules.

The Company invites all registered shareholders to participate and vote at the Company's general meetings. Each shareholder will receive a notice of meeting which is also advertised in the newspaper and released via SGXNet. All shareholders are entitled to vote in accordance with the established voting rules and procedures. GL 14.2

Under the new multiple proxy regime, "relevant intermediaries" (such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("CPF")), are allowed to appoint more than 2 proxies to attend, speak and vote at the Company's general meetings. This will enable indirect investors (including CPF investors) to be appointed as proxies to participate at these meetings. GL 14.3

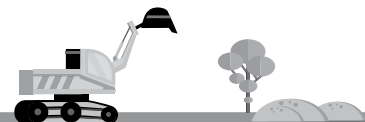
Communication with Shareholders

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

The Company embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company conveys pertinent information to shareholders and complies with the guidelines set out in the SGX-ST rules when disclosing information. GL 15.1

The Company does not practise selective disclosure of price sensitive information. The Company discloses quarterly financial results, and any significant transactions and developments via SGXNet in a timely basis. The financial results are also available on the Company's website (www.kohbrothers.com). The corporate website also contains various other investor-related information on the Company that serves as important resources for investors. GL 15.2

General meetings are the principal forum for dialogue with shareholders. There is a question and answer session during which shareholders may raise questions or share their views about the proposed resolutions, and the Group's business affairs and financial performance. This enables the Board to gather shareholders' views and address any of the shareholders' concerns. GL 15.3



The Board encourages shareholders to participate actively during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on the Group's businesses. Following any release of earnings or price sensitive developments, the Company's investor relations consultant is available by email or telephone to answer questions from shareholders and the media, as long as the information requested does not conflict with the SGX-ST's rules of fair disclosure. GL 15.4

The Company strives to provide consistent and sustainable dividend payments to shareholders based on the Company's profitability, cash position, working capital needs, capital expenditure plan, investment and business opportunities, and market conditions. It aims to balance returns to shareholders with a need for long term sustainable growth. GL 15.5

The Board has recommended a final cash dividend of 0.35 cent per share for FY2016. This proposed dividend is subject to shareholders' approval at the upcoming AGM.

Conduct of Shareholder Meetings

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

The Company invites and encourages all registered shareholders to participate and vote at the Company's general meetings. Voting in absentia and by mail, facsimile or email is currently not permitted. Such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authenticity of the shareholders' identities. GL 16.1

The Company ensures that separate resolutions are proposed for substantially separate issues at the general meetings. GL 16.2

The Board, Financial Controller and external auditors are present at the general meetings to address shareholders' queries or concerns about the Company's financial performance, audits and auditor's reports. GL 16.3

Minutes of shareholders' meetings are available on request by registered shareholders. GL 16.4

The Company conducts electronic poll voting at general meetings for greater transparency in the voting process. The voting results are also announced after the meetings via SGXNet and in accordance with the SGX-ST rules. GL 16.5

5 INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established internal control policies to ensure that transactions with interested persons are properly reviewed, approved and conducted on an arm's length basis.

REPORT ON CORPORATE GOVERNANCE



The interested person transactions entered during FY2016 are disclosed as follow:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (S\$'000)
Koh Keng Siang	833	-
Lee & Lee	125	-
Koh Keng Hiong	109	-
Koh Tiak Boon	677	-

6 RISK MANAGEMENT

The Management regularly reviews the Group's businesses and operational activities to assess and manage potential risk exposure. The Group's financial risk management objectives and policies are set out in the notes to the FY2016 financial statements. The Company has implemented a CSA programme. Through the programme, weaknesses in the control environment may be detected and reported to the Management. Corrective actions are taken to strengthen the process and prevent future occurrences. The CSA programme is to better manage risks and instill ownership among control owners and promote accountability.

7 DEALINGS IN SECURITIES

The Company has adopted an internal compliance code on dealings in the Company's securities. The Company has issued share trading guidelines to all directors, employees of executive level and above, and personal assistants. They are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of the Company's financial year, and one month before the announcement of the Company's full year financial statements, and ending on the date of the announcement of the relevant results. In addition, they are prohibited from dealing in the Company's securities while in possession of price sensitive information and on short-term considerations.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016



The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2016 and the balance sheet of the Company as at 31 December 2016.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 57 to 133 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of 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 as follows:

Mr Koh Tiat Meng
 Mr Koh Teak Huat
 Mr Koh Keng Siang
 Mr Koh Keng Hiong
 Mdm Quek Chee Nee
 Mr Ling Teck Luke
 Mr Lai Mun Onn
 Mr Gn Hiang Meng
 Er Dr Lee Bee Wah
 Mr Lee Sok Khian John (appointed on 9 May 2016)
 Mr Ow Yong Thian Soo (appointed on 20 June 2016)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Company	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2016	At 1.1.2016 or date of appointment if later	At 31.12.2016	At 1.1.2016 or date of appointment if later
(Ordinary shares)				
Mr Koh Tiat Meng	61,308,654	61,308,654	-	-
Mr Koh Teak Huat	32,213,088	32,213,088	325,000	325,000
Mr Koh Keng Siang	62,422,535	62,422,535	27,420,000	27,420,000
Mr Koh Keng Hiong	30,260,100	30,260,100	25,010,000	25,010,000
Mdm Quek Chee Nee	25,896,814	25,896,814	-	-
Mr Ling Teck Luke	200,000	200,000	-	-
Mr Lai Mun Onn	100,000	100,000	-	-
Mr Gn Hiang Meng	-	-	200,000	200,000



DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

Directors' interests in shares or debentures (continued)

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2016	At 1.1.2016 or date of appointment if later	At 31.12.2016	At 1.1.2016 or date of appointment if later
Koh Brothers Eco Engineering Limited (Ordinary shares)				
Mr Koh Tiat Meng	6,130,865	-	-	-
Mr Koh Teak Huat	3,221,308	-	32,500	-
Mr Koh Keng Siang	6,242,253	-	485,556,148	-
Mr Koh Keng Hiong	3,026,010	-	2,501,000	-
Mdm Quek Chee Nee	2,589,681	-	-	-
Mr Ling Teck Luke	20,000	-	-	-
Mr Lai Mun Onn	10,000	-	-	-
Mr Gn Hiang Meng	-	-	20,000	-

Mr Koh Keng Siang, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's subsidiaries.

The directors' interest in the ordinary shares of the Company as at 21 January 2017 were the same as those as at 31 December 2016.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

Audit and Risk Committee

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

Er Dr Lee Bee Wah	Mr Ling Teck Luke
Mr Lai Mun Onn	Mr Gn Hiang Meng

All members of the Audit and Risk Committee were independent and non-executive directors.

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2016 before their submission to the Board of Directors.

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

Independent Auditor

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

On behalf of the directors

Koh Keng Siang
Director
23 March 2017

Koh Keng Hiong
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED



Report on the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Koh Brothers Group Limited (the “Company”) and its subsidiaries (the “Group”) and the balance sheet 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 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated balance sheet of the Group as at 31 December 2016;
- the balance sheet of the Company as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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.

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED

Report on the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Accounting for Construction contracts Refer to Note 3.1(a), Note 4 and Note 15</p> <p>During the financial year ended 31 December 2016, contract revenue amounted to S\$262.9 million and it represented 76% of the total revenue of the Group.</p> <p>The Group uses the percentage-of-completion method to account for its contract revenue in accordance with FRS 11 Construction Contracts.</p> <p>We focused on the accuracy of revenue recognition and completeness of foreseeable losses on construction contracts due to the significant management judgment required in determining the total contract sum and the total contract costs.</p>	<p>We obtained an understanding of the projects under construction through discussions with management and project managers, and examined project documentation (including contracts, correspondences with customers on delays or extension of time).</p> <p>In relation to total contract revenue for project in progress, our audit procedures include the following:</p> <ul style="list-style-type: none"> • Traced total contract sums to contract entered into by the Group and its customer; • Assessed the competence of the surveyor/ architect; • Traced revenue from variation orders recognised to surveyor/architect's certification; • Recomputed the percentage of completion; and • Assessed the completeness of the amount of liquidated damages to be net off against contract revenue recognised, based on our understanding of the projects. <p>In relation to total contracts costs, our audit procedures include the following:</p> <ul style="list-style-type: none"> • Traced the cost to complete for each project by substantiating costs that have been committed to quotations and contracts entered; • Tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and • Assessed the reasonableness of cost incurred against our understanding of the project. <p>Based on the audit procedures performed above, we have assessed management's estimates to be reasonable.</p> <p>We then recomputed the cumulative contract revenue and the contract revenue for the current financial year as well as the amount of foreseeable loss (where relevant) for each project, and traced to the accounting records and found it to be appropriate.</p> <p>We have also assessed the disclosures of the assumptions and the sensitivity in the financial statements to be appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED



Report on the Financial Statements (continued)

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of goodwill Refer to Note 3.1(b) and Note 27</p> <p>The goodwill of S\$5.1 million at 31 December 2016 relates to the “Bio-Refinery and Bio-Energy” cash generating unit (“CGU”).</p> <p>In accordance with FRS, the Group performs an impairment test for the CGU to assess whether the goodwill might be impaired.</p> <p>The test performed by the Group did not result in an impairment of goodwill since the recoverable amount based on future cash flows exceeded the carrying amount of goodwill and other net assets.</p> <p>The assumptions, sensitivities and results of the tests performed are disclosed in Note 27 to the financial statements. We focused on this area because of the significant judgment involved in determining inputs for certain assumptions used in the model and the dependency on future market circumstances.</p>	<p>In respect of the assumptions which were most sensitive to changes in terms of the impact on the valuation, our procedures included the following:</p> <ul style="list-style-type: none"> • Involved internal specialists in assessment on the appropriateness of the discount rate; • Validated terminal growth rate used by corroborating against the long-term average growth rate in the country which the CGU operates in; and • Corroborated gross margin used against historical margin of the CGU. <p>Based on the audit procedures performed above, we have assessed management’s assumptions to be appropriate.</p> <p>We have also assessed the disclosures of the assumptions and the sensitivity in the financial statements to be appropriate.</p>

Valuation of investment properties

Refer to Note 3.1(c) and Note 25

The Group’s investment properties carried at fair value amount to S\$90.7 million at 31 December 2016 and account for 15% of the Group’s total assets. The disclosures relating to these investment properties are included in Note 25 to the financial statements.

Management uses external valuers to support its determination of the individual fair value of its investment properties annually.

The valuation of investment properties is significant to our audit due to the complexity involved in the valuation technique. The judgement relating to the assumptions used in the valuation technique, including discount rate, rental rate and market value of comparable property, impact the valuation. Uncertainty arises as a result of having to consider long-term trends and market conditions in the assumptions.

- We considered the objectivity, independence and expertise of the external valuers used by management.
- We challenged management and the external valuers about the key assumptions and estimated inputs used in the valuation model. The key assumptions and estimated inputs which we tested included rental value, vacancy rates, interest rates, terminal yield and discount rates. Our tests included consideration of externally derived data.
- We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

The valuers are members of recognised professional bodies for external valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOH BROTHERS GROUP LIMITED



Report on the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information refers to the “Directors’ Statement” section on pages 50 to 51 of the annual report, but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the remaining sections of the annual report, which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- 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.



Report on the Financial Statements (continued)

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

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

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

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

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

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 Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 23 March 2017



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

		Group	
		2016	2015
		S\$'000	S\$'000
	Note		
Sales	4	345,720	427,320
Cost of sales	7	(316,675)	(372,388)
Gross profit		29,045	54,932
Other income	5	3,238	3,468
Other gains – net	6	1,014	1,525
Expenses			
– Distribution and marketing	7	(904)	(3,341)
– Administrative	7	(18,926)	(22,540)
– Finance	9	(4,101)	(5,671)
– Other	7	(5,368)	(4,996)
Share of profit of associated companies	22	175	200
Share of profit of joint ventures	23	13,105	13,066
Profit before income tax		17,278	36,643
Income tax expense	10(a)	(2,398)	(7,230)
Profit after income tax		14,880	29,413
Other comprehensive loss:			
Items that may be reclassified subsequent to profit or loss:			
Currency translation arising from consolidation	34(d)	(143)	(1,878)
Fair value losses on available-for-sale financial assets	20	(411)	(35)
Other comprehensive loss, net of tax		(554)	(1,913)
Total comprehensive income		14,326	27,500
Profit attributable to:			
Equity holders of the Company		13,315	27,878
Non-controlling interests		1,565	1,535
		14,880	29,413
Total comprehensive income attributable to:			
Equity holders of the Company		12,109	27,368
Non-controlling interests		2,217	132
		14,326	27,500
Earnings per share for profit attributable to equity holders of the Company:			
– Basic earnings per share (in cents)	11(a)	3.21	6.69
– Diluted earnings per share (in cents)	11(b)	3.21	6.69

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

BALANCE SHEETS

As at 31 December 2016



	Note	GROUP		COMPANY	
		2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
ASSETS					
Current assets					
Cash and bank balances	12	43,227	64,465	134	930
Financial assets, at fair value through profit or loss	13	40	49	-	-
Trade receivables	14	121,231	215,205	-	-
Due from customers on construction contracts	15	35,067	15,879	-	-
Amounts due from joint ventures	17	76,056	76,054	-	-
Inventories	18	8,395	11,404	-	-
Development properties	19	1,189	1,198	-	-
Amounts due from subsidiaries	24	-	-	57,506	60,309
Available-for-sale financial assets	20	7,529	7,940	-	-
Other current assets	21	25,649	14,444	16	-
		318,383	406,638	57,656	61,239
Non-current assets					
Trade receivables	14	9,251	-	-	-
Amount due from joint ventures	17	5,936	3,421	-	-
Investments in associated companies	22	1,347	1,452	-	-
Investments in joint ventures	23	77,196	63,950	-	-
Investments in subsidiaries	24	-	-	104,752	87,018
Investment properties	25	90,706	90,977	-	-
Property, plant and equipment	26	108,879	102,173	-	-
Goodwill	27	5,078	5,078	-	-
		298,393	267,051	104,752	87,018
Total assets		616,776	673,689	162,408	148,257
LIABILITIES					
Current liabilities					
Trade payables	28	98,301	80,651	-	-
Other liabilities	29	35,115	53,660	614	2,103
Due to customers on construction contracts	15	31,974	9,657	-	-
Amount due to an associated company	16	485	1,119	-	-
Amounts due to subsidiaries	24	-	-	25,693	6,877
Amounts due to joint ventures	17	15,507	15,507	-	-
Current income tax liabilities	10(b)	3,289	10,837	3	8
Short-term borrowings and finance leases	30	28,224	111,707	-	-
		212,895	283,138	26,310	8,988
Non-current liabilities					
Trade payables	28	7,399	3,670	-	-
Finance leases	31	2,755	1,531	-	-
Bank borrowings	32	58,963	60,569	-	-
Notes payables	33	50,000	50,000	50,000	50,000
Deferred income tax liabilities	10(c)	8,559	8,198	-	-
		127,676	123,968	50,000	50,000
Total liabilities		340,571	407,106	76,310	58,988
NET ASSETS		276,205	266,583	86,098	89,269
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	34	36,981	42,653	36,981	42,653
Treasury shares	34	(7,614)	(12,919)	(7,614)	(12,919)
Other reserves	34(b)	1,203	(441)	-	-
Retained profits	34(c)	243,087	235,916	56,731	59,535
Currency translation reserve	34(d)	(9,361)	(8,004)	-	-
		264,296	257,205	86,098	89,269
Non-controlling interests		11,909	9,378	-	-
Total equity		276,205	266,583	86,098	89,269

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

		← Attributable to equity holders of the Company →								
Group (S\$'000)	Note	Share capital	Treasury shares	Other reserves	Retained profits	Currency translation reserve	Total	Non- controlling interests	Total equity	
Balance at 1 January 2016		42,653	(12,919)	(441)	235,916	(8,004)	257,205	9,378	266,583	
Profit for the financial year		-	-	-	13,315	-	13,315	1,565	14,880	
Other comprehensive (loss)/income for the financial year		-	-	(256)	-	(950)	(1,206)	652	(554)	
Change in ownership interests in subsidiaries	24(a)	-	-	96	(679)	(459)	(1,042)	275	(767)	
Dividend in species of shares in a subsidiary	24(b)	-	-	19	(2,147)	52	(2,076)	2,076	-	
Cancellation of shares held in treasury shares	34(a)	(5,672)	5,672	-	-	-	-	-	-	
Purchase of treasury shares	34(a)	-	(367)	-	-	-	(367)	-	(367)	
Warrants expired	34(b)	-	-	1,785	-	-	1,785	(1,785)	-	
Dividend relating to 2015 paid	35	-	-	-	(3,318)	-	(3,318)	(252)	(3,570)	
Balance at 31 December 2016		36,981	(7,614)	1,203	243,087	(9,361)	264,296	11,909	276,205	
Balance at 1 January 2015		45,320	(13,061)	(406)	211,365	(7,529)	235,689	9,246	244,935	
Profit for the financial year		-	-	-	27,878	-	27,878	1,535	29,413	
Other comprehensive loss for the financial year		-	-	(35)	-	(475)	(510)	(1,403)	(1,913)	
Cancellation of shares held in treasury shares	34(a)	(2,667)	2,667	-	-	-	-	-	-	
Purchase of treasury shares	34(a)	-	(2,525)	-	-	-	(2,525)	-	(2,525)	
Dividend relating to 2014 paid	35	-	-	-	(3,327)	-	(3,327)	-	(3,327)	
Balance at 31 December 2015		42,653	(12,919)	(441)	235,916	(8,004)	257,205	9,378	266,583	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016



	Group	
	2016 S\$'000	2015 S\$'000
Cash flows from operating activities		
Total profit	14,880	29,413
Adjustments for:		
- Depreciation of property, plant and equipment	6,085	6,843
- Dividend income	(1)	(2)
- Fair value loss/(gain) on investment properties	271	(500)
- Fair value loss/(gain) on financial assets at fair value through profit or loss	9	(604)
- Fair value loss on long term financial assets and financial liabilities	308	219
- Finance expense	4,101	5,671
- Gain on disposal of property, plant and equipment	(1,176)	(164)
- Gain on disposal of subsidiaries	-	(50)
- Income tax expense	2,398	7,230
- Interest income	(2,288)	(2,740)
- Property, plant and equipment written off	9	52
- Share of profit of associated companies	(175)	(200)
- Share of profit of joint ventures	(13,105)	(13,066)
- Unrealised translation gain	(245)	(202)
	11,071	31,900
Change in working capital:		
- Trade and other receivables	73,178	(137,666)
- Inventories	3,009	4,438
- Due from/to customers on construction contracts	6,981	(13,890)
- Development properties	9	138,004
- Trade and other payables	4,353	18,300
- Amount due from/to associated companies	(634)	156
- Amount due from/to joint ventures	(2,658)	9,550
Cash generated from operations	95,309	50,792
Income tax paid	(9,595)	(3,955)
Interest paid	(5,487)	(7,600)
Net cash provided by operating activities	80,227	39,237
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,486)	(25,252)
Purchase of financial assets at fair value through profit or loss	-	(5,090)
Proceeds from disposal of financial assets at fair value through profit and loss	-	8,428
Proceeds from disposal of property, plant and equipment	1,529	266
Additions to investment properties	-	(1,036)
Dividend received from an associate	280	-
Dividend received from other investments	1	2
Interest received	2,288	2,740
Net cash used in investing activities	(8,388)	(19,942)

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



CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Group	
	2016	2015
	S\$'000	S\$'000
Cash flows from financing activities		
Proceeds from bank borrowings	29,591	55,905
Repayment of bank borrowings	(114,487)	(77,913)
Payment of finance lease instalments	(3,565)	(4,288)
Restricted cash released	336	1,933
Purchase of treasury shares	(367)	(2,525)
Transaction cost relating to change of ownership interest in subsidiary without loss of control	(767)	-
Dividends paid to equity holders of the Company	(3,318)	(3,327)
Dividends paid to non-controlling interests	(399)	-
Net cash used in financing activities	(92,976)	(30,215)
Net decrease in cash and bank balances	(21,137)	(10,920)
Beginning of financial year [Note 12(i)]	62,766	73,699
Effects of currency translation on cash and bank balances	261	(13)
End of financial year [Note 12(i)]	41,890	62,766

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Koh Brothers Group Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 11 Lorong Pendek, Koh Brothers Building, Singapore 348639.

The principal activities of the Company are investment holding and provision of management services

The principal activities of its subsidiaries, joint ventures, joint operation entities and associated companies are set out in Note 40 of the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services, the work done on construction projects undertaken, the sale of development properties and rental and related income from investment properties, dividend and interest income in the ordinary course of the Group's activities. Sales are presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

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

(a) Sale of goods

Revenue is recognised when the Group has delivered the products to the customer and the customer has accepted the products.

(b) Rendering of services

Revenue from services is recognised over the period in which the services are rendered.

(c) Contract revenue

Revenue from construction contracts is recognised as disclosed in Note 2.6 "Construction contract".

(d) Revenue from property development

Revenue from property development is recognised as disclosed in Note 2.8 "Development properties".

(e) Rental income

Rental income is recognised as disclosed in Note 2.12(b) "Leases - when the Group is the lessor".

(f) Dividend income

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

(g) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.5 "Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

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

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

Please refer to Note 2.9 "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

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

(c) Associated companies and joint ventures

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

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

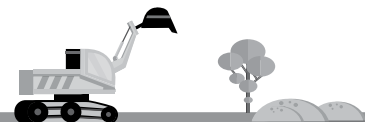
Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

(iii) Disposals

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

Please refer to Note 2.9 "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

(d) Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(d) Joint operations (continued)

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

2.4 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses except for certain buildings and leasehold premises, which are subsequently carried at revalued amount less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.21 on borrowing costs).

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

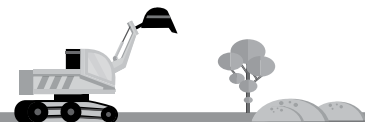
The revaluation on certain freehold and leasehold properties was done in connection with the listing of the Company in 1993. The increase in carrying amount arising from the revaluation was taken to capital reserve. The Group does not have a policy of revaluing its property, plant and equipment periodically.

(b) Depreciation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation (continued)

	<u>Useful lives</u>
Buildings on freehold land	20 - 50 years
Leasehold land and buildings	20 - 92 years
Plant and machinery	2 - 20 years
Motor vehicles	3.5 - 10 years
Furniture, fittings, office and hotel equipment	1 - 10 years

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

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within Note 6 "Other gains - net". Any amount in capital reserve relating to that item is transferred to retained profits directly.

2.5 Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was previously taken to capital reserve and is not recognised in profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.6 Construction contract

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

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

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

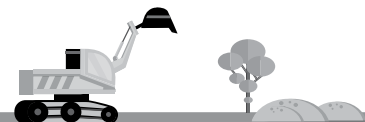
Where the stage of completion is measured by reference to the professional or customer’s certification of value of work done to date, at the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as “due from customers on construction contracts” within “current assets”. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as “due to customers on construction contracts” within “current liabilities”.

Where the stage of completion is measured by reference to the proportion of contract costs incurred to date compared to the estimated total costs for the contract, at the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as “accrued billings on construction contracts” within “trade receivables”. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as “advance billings on construction contracts” within “trade payables”.

Progress billings not yet paid by customers and retentions by customers are included within “trade receivables”. Advances received and retentions withheld from subcontractors are included within “trade payables”.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.7 Investment properties

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

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

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

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

2.8 Development properties

Development properties are properties being constructed or developed for sale in the ordinary course of business.

Development properties are carried at the lower of cost and net realisable value. The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, other related expenditure and borrowing costs. Borrowing costs are also capitalised as part of the cost of the development property until the completion of development. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

If, however, the legal terms of the contract are such that the construction represents the continuing transfer of work in process to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses.

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

The stage of completion is measured by reference to the professional's certification of value of work done to-date. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

2.9 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries (except for warrants in subsidiary, which are accounted for as financial assets at fair value through profit or loss), joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment Investments in subsidiaries, joint ventures and associated companies

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

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

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

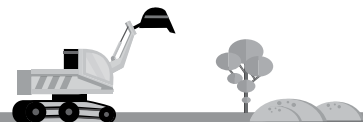
The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.4 "Property, plant and equipment" for the treatment of a revaluation decrease.

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other current assets", "due from customers on construction contracts", "amounts due from subsidiaries", "amounts due from joint ventures", and "cash and bank balances" on the balance sheet.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

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

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

(c) Initial measurement

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



2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve, presented within "other reserves".

(e) Impairment

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

(i) Loans and receivables

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

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

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

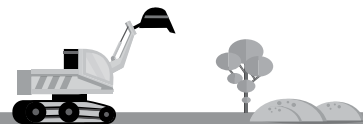
(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial assets is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.12 Leases

(a) When the Group is the lessee:

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as assets and liabilities respectively, at the inception of the leases based on the lower of the fair values of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

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

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

(b) When the Group is the lessor:

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

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

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

2.13 Financial guarantees

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

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

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

Intra-group transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.14 Borrowings

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

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

2.15 Trade and other payables

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

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

2.16 Fair value estimation of financial assets and liabilities

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

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

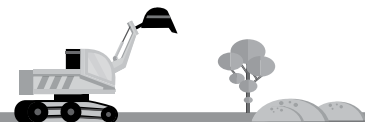
The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using either the first-in, first-out basis or the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.18 Income taxes

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

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

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

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

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

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

2.19 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.20 Employee compensation

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

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

2.21 Borrowing costs

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

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.22 Currency translation

(a) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(b) Transactions and balances

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

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

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within Note 6 “Other gains-net”.

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

(c) Translation of Group entities’ financial statements

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

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

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

2.23 Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



2. Significant accounting policies (continued)

2.24 Cash and bank balances

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

2.25 Share capital and treasury shares

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

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

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

2.26 Dividends to Company's shareholders

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

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical accounting estimates and assumptions

(a) Construction contracts

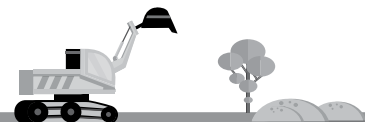
The Group has significant contracts that are on-going as at 31 December 2016, as disclosed in Note 15. The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured either by reference to the professional's survey or customer's certification of value of work done to date, or by reference to the contract costs incurred to date compared to the estimated total costs for the contract. Please refer to Note 2.6 "Construction contracts" for the Group's accounting policy on construction contract work-in-progress.

Significant assumptions are used to estimate the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of foreseeable losses recognised. In making these estimates, management has relied on past experience and the work of specialists.

If the remaining estimated contract costs increase by 3% from management's estimates, the Group's profit before income tax will decrease by approximately S\$5,146,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(b) Assessment on impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. In performing the impairment assessment of the carrying amount of goodwill (Note 27), the recoverable amount of the “Bio-Refinery and Bio-Energy” cash-generating unit (“CGU”) in which goodwill has been attributable to, is determined using value-in-use (VIU) calculations.

Significant judgements are used to estimate the gross margin, terminal growth rate and discount rate applied in computing the recoverable amounts of the CGU. In making these estimates, management has relied on past performance, its expectation of market developments in Malaysia, and the industry trends for the CGU. Specific estimates are disclosed in Note 27. Management is of the view that no impairment of the CGU was required as at 31 December 2016.

Management has performed a sensitivity analysis and noted that a reasonably possible change in the key assumptions will not result in an impairment.

(c) Valuation of investment properties

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining fair value, the independent professional valuers have used valuation methods which involve certain estimates (Note 25).

The fair values are determined using the income method, cost method and direct comparison method. The income method involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison method involves the comparison of recent sales transactions of similar properties. Management is of the view that the valuation methods and estimates are reflective of the current market conditions.

3.2 Critical judgement in applying the entity’s accounting policies

Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience. Refer to Note 37(b) for analysis of the Group’s credit risk profile.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



4. Revenue

	Group	
	2016 S\$'000	2015 S\$'000
Contract revenue	262,893	166,793
Revenue from sale of products	73,501	116,360
Revenue from services rendered	6,162	6,049
Revenue from property development	-	135,235
Rental income from investment properties (Note 25)	3,164	2,883
Total revenue	345,720	427,320

5. Other income

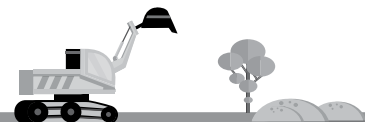
Dividend income	1	2
Interest income		
- Available-for-sale financial assets	453	417
- Loans to joint ventures	1,632	1,802
- Bank deposits and others	203	521
	2,288	2,740
Other income	949	726
	3,238	3,468

6. Other gains - net

Fair value (loss)/gain on financial assets at fair value through profit or loss (Note 13)	(9)	604
Fair value loss on long term financial assets and financial liabilities	(308)	(219)
Fair value (loss)/gain on investment properties (Note 25)	(271)	500
Gain on disposal of property, plant and equipment	1,176	164
Gain on disposal of subsidiaries	-	50
Net foreign exchange gain	426	426
	1,014	1,525

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



7. Expenses by nature

	Group	
	2016	2015
	S\$'000	S\$'000
(Write-back allowance of)/allowance for impairment of trade receivables included in "distribution and marketing expenses" [Note 14(ii)]	(882)	1,425
Allowance for impairment of loan to joint ventures [Note 17(iii)]	5,151	4,700
Changes in inventories of raw material, work-in-progress and finished goods	3,009	4,438
Contractor and material costs net of changes in work-in-progress included in "cost of sales"	225,612	254,443
Depreciation of property, plant and equipment [Note 26(i)]	6,085	6,843
Employee compensation (Note 8)	26,562	29,497
Freight, shipping, transport and travelling expenses	3,754	5,843
Purchases of raw material, finished goods and consumables	47,569	67,497
Rental expenses	5,569	8,986
Repair and maintenance expenses	4,328	4,780
Utilities	2,336	2,871
Other expenses	12,780	11,942
	341,873	403,265

8. Employee compensation

Wages and salaries	22,628	25,753
Employer's contribution to defined contribution plans including Central Provident Fund	1,721	1,500
Other staff benefits	2,213	2,244
	26,562	29,497

Included in the cost of sales is employee compensation amounting to S\$11,995,000 (2015: S\$12,784,000). Compensation to key management personnel, including directors' remuneration, is separately disclosed in Note 38(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



9. Finance expenses

	Group	
	2016 S\$'000	2015 S\$'000
Interest expenses		
- Banking facilities	2,396	3,173
- Finance lease	111	122
- Notes	2,400	2,400
- Joint venture	-	244
	4,907	5,939
Less: Interest capitalised in property, plant and equipment	(806)	(268)
	4,101	5,671

10. Income taxes

(a) Income tax expense

Tax expense/(credit) attributable to profit is made up of:

- Current income tax [Note 10(b)]	2,897	10,840
- Deferred income tax [Note 10(c)]	363	(3,901)
	3,260	6,939
(Over)/under provision in prior financial years		
- Current income tax [Note 10(b)]	(860)	519
- Deferred income tax [Note 10(c)]	(2)	(228)
	2,398	7,230

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



10. Income taxes (continued)

(a) Income tax expense (continued)

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

	Group	
	2016 S\$'000	2015 S\$'000
Profit before income tax	17,278	36,643
Share of profit of associated companies	(175)	(200)
Share of profit of joint ventures	(13,105)	(13,066)
Profit before tax and share of profit of associated companies and joint ventures	3,998	23,377
Tax calculated at a tax rate of 17% (2015: 17%)	680	3,974
Effects of:		
Expenses not deductible for tax purposes	2,402	3,594
Income not subject to tax	(182)	(177)
Tax benefits not recognised	1,300	300
Tax incentives	(336)	(628)
Utilisation of previously unrecognised:		
- Tax losses	(502)	(19)
- Capital allowances	(297)	(172)
Effect of different tax rates in other countries	109	13
(Over)/under provision in prior financial years	(862)	291
Others	86	54
Tax charge	2,398	7,230

(b) Movement in current income tax liabilities

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Balance at 1 January	10,837	3,024	8	-
Currency translation differences	10	(82)	-	-
Transfer from deferred income tax	-	491	-	-
Income tax paid	(9,595)	(3,955)	-	-
Tax expense [Note 10(a)]	2,897	10,840	-	8
(Over)/under provision in preceding financial years [Note 10(a)]	(860)	519	(5)	-
Balance at 31 December	3,289	10,837	3	8

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



10. Income taxes (continued)

(c) Deferred income tax

The movement in the deferred income tax is as follows:

	Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 January	8,198	12,778
Currency translation differences	-	40
Transfer to current income tax liabilities	-	(491)
Tax expense/(credit) [Note 10(a)]	363	(3,901)
Over provision in preceding financial years [Note 10(a)]	(2)	(228)
Balance at 31 December	8,559	8,198

(d) Movements in deferred income tax

The movements in the Group's deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Group	Accelerated tax depreciation S\$'000	Revaluation reserve S\$'000	Fair value adjustment on investment properties S\$'000	Income taxed on completion basis and others S\$'000	Total S\$'000
Deferred income tax liabilities					
Balance at 1 January 2016	2,252	208	6,119	449	9,028
Currency translation differences	61	-	16	(30)	47
Charged/ (credited) to profit or loss	223	(19)	-	(330)	(126)
Balance at 31 December 2016	2,536	189	6,135	89	8,949
Balance at 1 January 2015	2,104	208	6,076	4,390	12,778
Currency translation differences	-	-	-	(26)	(26)
Charged/ (credited) to profit or loss	148	-	43	(3,915)	(3,724)
Balance at 31 December 2015	2,252	208	6,119	449	9,028

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



10. Income taxes (continued)

(d) Movements in deferred income tax (continued)

Group	Provisions S\$'000	Total S\$'000
Deferred income tax assets		
Balance at 1 January 2016	(830)	(830)
Currency translation differences	(47)	(47)
Credited to profit or loss	487	487
Balance at 31 December 2016	(390)	(390)
Balance at 1 January 2015	-	-
Currency translation differences	66	66
Transfer to current income tax liabilities	(491)	(491)
Credited to profit or loss	(405)	(405)
Balance at 31 December 2015	(830)	(830)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2016 S\$'000	2015 S\$'000
Deferred income tax liabilities	8,559	8,198

The deferred income tax assets and liabilities are not intended to be settled within the next twelve-month period.

(e) Unutilised tax losses and capital allowances

As at 31 December 2016, the Group has unutilised tax losses of approximately S\$33,324,000 (2015: S\$23,609,000) and unabsorbed capital allowances of approximately S\$1,972,000 (2015: S\$2,007,000) which can, subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation, be carried forward and utilised against future taxable profits. The unutilised tax losses and capital allowance do not have expiry dates. The deferred tax benefits on the unutilised tax losses and capital allowances of subsidiaries have not been recognised in the financial statements because of the uncertainty of future utilisation.

(f) There is no tax charge relating to each component of other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



11. Earnings per share

(a) Basic earnings per share

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

	Group	
	2016	2015
Net profit attributable to equity holders of the Company (S\$'000)	13,315	27,878
Weighted average number of ordinary shares in issue for computation of basic earnings per share ('000)	414,467	416,758
Basic earnings per share (in cents)	3.21	6.69

(b) Diluted earnings per share

There is no dilution of earnings per share for the financial years ended 2016 and 2015.

12. Cash and bank balances

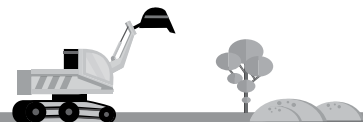
	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed deposits	8,504	1,557	-	-
Cash and bank balances	34,723	62,908	134	930
	43,227	64,465	134	930

(i) For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise of the following:

	Group	
	2016	2015
	S\$'000	S\$'000
Cash and bank balances (as above)	43,227	64,465
Restricted cash	(1,337)	(1,699)
Cash and bank balances per consolidated statement of cash flows	41,890	62,766

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



12. Cash and bank balances (continued)

- (ii) The carrying amounts of fixed deposits approximate their fair values, as the fixed deposits bear interest at variable rates, which can be re-priced within a period of up to 12 months.
- (iii) Included in the fixed deposits and cash and bank balances of the Group are amounts held under the Housing Developers' (Project Account) (Amendment) Rules 1997, totalling S\$11,518,000 (2015: S\$21,659,000), the use of which is subject to restrictions imposed by the aforementioned rules.
- (iv) Included in the fixed deposits and cash and bank balances of the Group is an amount of S\$1,337,000 (2015: S\$1,699,000) pledged to banks for credit facilities granted.

13. Financial assets, at fair value through profit or loss

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Balance at 1 January	49	2,783	-	1,149
Additions	-	5,090	-	-
Disposals	-	(8,428)	-	-
Fair value (loss)/gain during the financial year (Note 6)	(9)	604	-	(1,149)
Balance at 31 December	40	49	-	-

Financial assets, at fair value through profit and loss comprise the following:

At fair value:

Quoted equity shares - Singapore	40	49	-	-
	40	49	-	-

- (i) On 28 February 2013, the Company subscribed for and was issued 165,000,000 free detachable, non-transferable and non-listed warrants from its subsidiary, Koh Brothers Eco Engineering Limited ("KBE"), which expired on 27 February 2016. No warrant was exercised at the expiry of the exercise period.

Management has assessed that KBE continues to be a subsidiary of the Group, in consideration of the Group's 41% voting interest held between 27 February 2016 and 1 July 2016 (date of group restructuring), as the remaining votes are held by widely-dispersed shareholders.

- (ii) Financial assets, at fair value through profit or loss are denominated in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



14. Trade receivables

	Group	
	2016	2015
	S\$'000	S\$'000
<u>Current</u>		
Due from non-related parties	120,261	106,094
Due from non-controlling interests	1,445	2,687
Due from a related party [Note 14(i)]	163	195
Less: Allowance for impairment of trade receivables	(8,223)	(9,413)
Trade receivables - net	113,646	99,563
Construction contracts:		
Retention due from customers (Note 15)	4,540	3,766
Accrued billings on construction contracts (Note 15)	3,045	3,610
Accrued billings on development property	-	108,266
	121,231	215,205
<u>Non-current</u>		
Retention due from customers (Note 15)	9,251	-

- (i) The trade receivables due from a related party relates to amount due from a director of the Company.
- (ii) Write-back of allowance for impairment of trade receivables of S\$882,000 (2015: allowance for impairment of trade receivables of S\$1,425,000) is recognised as a reversal of expense (2015: expense) and included in "distribution and marketing expenses".
- (iii) The non-current trade receivables due from non-related parties are presented at amortised cost and computed based on cash flows discounted at market borrowing rates of approximately 4% (2015: 4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



15. Due from/(to) customers on construction contracts

	Group	
	2016	2015
	S\$'000	S\$'000
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	1,206,448	959,288
Less: Progress billings	(1,205,476)	(958,926)
	972	362
Presented as:		
<u>Current assets</u>		
- Due from customers on construction contracts	35,067	15,879
- Accrued billings on construction contracts (Note 14)	3,045	3,610
	38,112	19,489
<u>Current liabilities</u>		
- Due to customers on construction contracts	(31,974)	(9,657)
- Advance billings on construction contracts [Note 28(i)]	(5,166)	(9,470)
	(37,140)	(19,127)
	972	362
Retentions on construction contracts		
- Trade receivables [Note 14]	13,791	3,766
- Amount due from joint ventures [Note 17(ii)]	5,936	5,000
	19,727	8,766
Advances received on construction contract [Note 28(i)]	684	922

16. Amounts due to an associated company

The carrying amounts of trade balances due to an associated company approximate its fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



17. Amounts due from/(to) joint ventures

	Group	
	2016	2015
	S\$'000	S\$'000
<u>Current assets</u>		
Trade receivables from joint ventures	16,529	15,186
Loans to joint ventures	72,163	68,353
Less: Impairment of loan	(12,636)	(7,485)
	59,527	60,868
	76,056	76,054
<u>Non-current assets</u>		
Trade receivables from a joint venture	5,936	3,421
<u>Current liabilities</u>		
Amounts due to a joint venture (non-trade)	15,507	15,507

- (i) The loans to the joint ventures are unsecured and repayable on demand. The effective interest rate is 2.3% to 2.5% (2015: 2.3% to 2.5%) per annum.
- (ii) Included in current and non-current trade receivables from joint ventures are retentions on construction contracts of S\$5,936,000 (2015: S\$5,000,000) (Note 15).
- (iii) Allowance for impairment of loan to joint ventures of S\$5,151,000 (2015: S\$4,700,000) is recognised as an expense and included in "distribution and marketing expenses".
- (iv) The current non-trade amounts due to a joint venture is unsecured, interestfree and is repayable on demand, and the fair value approximate the carrying amount.
- (v) The non-current trade receivables from a joint venture are presented at amortised cost and computed based on cash flows discounted at market borrowing rates of approximately 4% (2015: 4%) per annum.

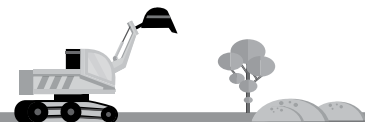
18. Inventories

	Group	
	2016	2015
	S\$'000	S\$'000
Raw materials	5,520	6,791
Work-in-progress	26	48
Finished goods	2,849	4,565
	8,395	11,404

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$50,578,000 (2015: S\$71,935,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



19. Development properties

	Group	
	2016	2015
	S\$'000	S\$'000
Completed development properties	1,189	1,198

Details of development properties are set out in Note 42.

As at the end of the previous financial year, development properties with a carrying value of S\$1,198,000 were mortgaged to banks for credit facilities granted (Notes 30 and 32).

20. Available-for-sale financial assets

Balance at 1 January	7,940	7,980
Disposals	-	(5)
Fair value losses recognised in other comprehensive income [Note 34(b)(i)]	(411)	(35)
Balance at 31 December	7,529	7,940

Available-for-sale financial assets are analysed as follows:

Listed securities:

- Singapore Dollar corporate fixed rate notes of 4.00% to 5.90% (2015: 5.25% to 6.25%) per annum due between 10 January 2017 to 9 June 2022 (2015: between 10 January 2017 to 1 October 2018)	7,529	7,940
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Available-for-sale financial assets are classified as current assets as management intends to dispose these assets within 12 months after balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



21. Other current assets

	Group	
	2016 S\$'000	2015 S\$'000
Deposits	1,358	1,373
Prepayments	775	513
Other receivables	23,747	12,757
	25,880	14,643
Less: Allowance for impairment of other receivables	(231)	(199)
	25,649	14,444

Included in the other receivables of the Group are amounts expected to be received upon liquidation of subsidiaries amounting to S\$10,652,000 (2015: S\$10,652,000).

22. Investment in associated companies

Balance at 1 January	1,452	1,522
Share of profits	175	200
Dividends received during the year	(280)	(270)
Balance at 31 December	1,347	1,452

Details of the associated companies are set out in Note 40. The associated companies have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

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

Summarised financial information of associated companies

Set out below are the summarised financial information for the material associated company of the Group. The information reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

	2016 S\$'000	2015 S\$'000
Hi Con (S) Pte. Ltd.		
Summarised statement of comprehensive income		
Revenue	3,445	4,946
Profit after tax and total comprehensive income	437	755
Dividends received from associated company	280	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



22. Investment in associated companies (continued)

	2016 S\$'000	2015 S\$'000
Hi Con (S) Pte. Ltd.		
Summarised balance sheet		
Current assets	2,521	3,288
Current liabilities	(587)	(957)
Non-current assets	300	291
Non-current liabilities	-	(26)
Net assets	2,234	2,596
Reconciliation of summarised financial information		
Interest in associated company (35%)	782	909
Carrying value	782	909
Add:		
Carrying value of an immaterial associated company	565	543
Carrying value of Group's interest in associated companies	1,347	1,452

23. Investment in joint ventures

	Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 January	63,950	50,884
Share of profit	13,105	13,066
Reversal of elimination of unrealised income	141	-
Balance at 31 December	77,196	63,950

The Group has lease commitments relating to its joint ventures. The joint ventures lease office space and carpark under non-cancellable operating lease agreements. The Group's share in the future aggregated minimum lease payments under the non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

Not later than one year	203	186
Between one and five years	1,014	-
	1,217	186

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



23. Investment in joint ventures (continued)

Details of the joint ventures are set out in Note 40. The joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

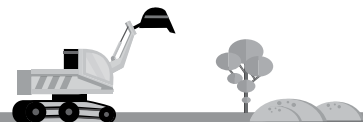
Summarised financial information of joint ventures

Set out below are the summarised financial information for material joint ventures. The information reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

	2016	2015
	S\$'000	S\$'000
Significant joint ventures		
<i>Summarised statement of comprehensive income</i>		
Revenue	31,808	19,668
Expenses		
Includes:		
- Interest expense	(10,662)	(9,772)
Profit before income tax	12,038	20,032
Income tax expense	(1,523)	(24)
Profit after tax and total comprehensive income	10,515	20,008
<i>Summarised balance sheet</i>		
Current assets	569,465	500,724
Includes:		
- Cash and bank balances	14,626	12,331
Current liabilities	(318,893)	(146,256)
Includes:		
- Bank borrowings	(107,522)	(500)
- Amount due to shareholders	(90,784)	(89,460)
Non-current assets	345,046	322,031

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



23. Investment in joint ventures (continued)

	2016 S\$'000	2015 S\$'000
Summarised balance sheet (continued)		
Non-current liabilities	(468,179)	(559,586)
Includes:		
- Bank borrowings	(412,494)	(500,857)
- Amount due to shareholders	(52,656)	(54,435)
Net assets	127,439	116,913
Reconciliation of summarised financial information		
Interest in joint ventures	64,419	56,900
Elimination of unrealised income	141	(435)
Impairment of loan to joint venture (Note 17)	12,636	7,485
Carrying value	77,196	63,950
Carrying value of Group's interest in joint ventures	77,196	63,950

Significant joint ventures have been aggregated as these joint ventures which undertake property development and investment business in Singapore have similar risks and returns characteristics.

24. Investment in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	2016 S\$'000	2015 S\$'000
Investment in subsidiaries		
Balance at 1 January		
- Quoted equity shares, at cost	5,200	5,200
- Unquoted equity shares, at cost	68,069	68,069
- Financial guarantee contracts	13,749	12,968
	87,018	86,237
Increase in ownership interest in a subsidiary arising from group restructuring [Note 24(a)]	19,292	-
Partial disposal of a subsidiary via dividend in species [Note 24(b)]	(1,944)	-
Increase in financial guarantee contracts	386	781
Balance at 31 December	104,752	87,018
Current		
Amounts due from subsidiary (trade)	1,770	-
Amounts due from subsidiaries (non-trade) [Note 24(i)]	55,736	60,309
	57,506	60,309
Amounts due to subsidiaries (non-trade) [Note 24(i)]	(25,693)	(6,877)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



24. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)

- (i) The current non-trade amounts due from and to subsidiaries are unsecured and interest-free, except for an amount of S\$50,000,000 (2015: S\$50,000,000) which bears interest rate at 5% per annum. The current amounts due from and to subsidiaries are repayable on demand and their fair values approximate their carrying amount.
- (ii) The Group has certain subsidiaries which are in the process of members' voluntary liquidation. The details of the subsidiaries are set out in Note 40. The fair values of identifiable net assets of these subsidiaries amounted to S\$10,652,000 (2015: S\$10,652,000). Details of the identifiable net assets of these subsidiaries as at 31 December 2016 are as follows:

	2016	2015
	S\$'000	S\$'000
<i>Carrying amounts of assets and liabilities</i>		
Cash and bank balances	4,715	4,715
Trade and other receivables	8,214	8,214
Total assets	12,929	12,929
Trade and other payables	(86)	(86)
Shareholder's loan	(1,054)	(1,054)
Total liabilities	(1,140)	(1,140)
Net assets in liquidation	11,789	11,789
Less: Non-controlling interests	(1,137)	(1,137)
Other receivables (Note 21)	10,652	10,652
<i>Carrying value of non-controlling interests</i>		
Koh Brothers Eco Engineering Limited and its subsidiaries	14,355	10,961
Other subsidiaries with immaterial non-controlling interests	(2,446)	(1,583)
	11,909	9,378

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



24. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for Koh Brothers Eco Engineering Limited and its subsidiaries which has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

	2016 S\$'000	2015 S\$'000
Koh Brothers Eco Engineering Limited and its subsidiaries		
<i>Summarised statement of comprehensive income</i>		
Revenue	202,265	44,782
Profit before income tax	7,681	4,485
Income tax expense	(1,216)	(1,555)
Profit after tax	6,465	2,930
Other comprehensive income	(825)	(1,824)
Total comprehensive income	5,640	1,106
Total comprehensive income allocated to non-controlling interests	228	309
Dividends paid to non-controlling interests	(252)	-
<i>Summarised balance sheet</i>		
<u>Current</u>		
Assets	152,302	33,515
Liabilities	(144,416)	(26,732)
Total current net assets	7,886	6,783
<u>Non-current</u>		
Assets	52,035	11,228
Liabilities	(17,519)	-
Total non-current net assets	34,516	11,228
Net assets	42,402	18,011
<i>Summarised cash flows</i>		
Net cash provided by operating activities	1,997	7,522
Net cash used in investing activities	(2,630)	(2)
Net cash provided by financing activities	5,289	1,347
Net change in cash and bank balances	4,656	8,867
Cash and bank balances at beginning of year	14,609	6,317
Effect of currency translation on cash and bank balances	58	(575)
Cash and bank balances at end of year	19,323	14,609

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



24. Investment in subsidiaries and amounts due from/(to) subsidiaries (continued)

Transactions with non-controlling interests

(a) *Change in ownership interests in subsidiaries due to group restructuring*

As part of the proposed restructuring of the Group's Engineering and Construction segment, the Company acquired an additional 369,145,361 shares in its Koh Brothers Eco Engineering Limited ("KBE") on 1 July 2016, representing 49.4% of equity share capital in KBE, by transferring Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. ("KBCE"), a wholly-owned subsidiary, to KBE.

As a result of this transaction, the Group holds approximately 70.1% of KBE, which includes KBCE.

The effect of changes in the ownership interest of KBE and KBCE on the equity attributable to owners of the Company during the year is summarised as follows:

	Group 2016 S\$'000
Carrying amount of non-controlling interests acquired in KBE	5,407
Carrying amount of non-controlling interests disposed of in KBCE	(5,682)
Transaction cost relating to restructuring	(767)
Difference recognised in parent's equity	<u>(1,042)</u>

(b) *Dividend in specie of shares in a subsidiary*

On 12 October 2016, the Company distributed dividend in specie of shares in Koh Brothers Eco Engineering Limited ("KBE shares") to its shareholders, at a ratio of 0.1 KBE shares for every share of the Company held by its shareholders. This resulted in a deemed disposal of an approximately 5.5% interest out of the 70.1% interest held in KBE [Note 24(a)]. The effect of the dividend in specie of KBE shares on the equity attributable to owners of the Company during the year is summarised as follows:

	Group 2016 S\$'000
Carrying amount of non-controlling interests disposed of	<u>(2,076)</u>

There were no transactions with non-controlling interests for the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



25. Investment properties

	Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 January	90,977	89,446
Additions	-	1,031
Fair value (loss)/gain recognised in profit or loss (Note 6)	(271)	500
Balance at 31 December	90,706	90,977

The following amounts are recognised in profit or loss:

Rental income (Note 4)	3,164	2,883
Direct operating expenses arising from investment properties that generated rental income	(1,881)	(1,798)

- (i) Investment properties are leased to third parties under operating leases [Note 36(b)].
- (ii) Investment properties with carrying values totalling S\$87,100,000 (2015: S\$87,371,000) are mortgaged to banks for credit facilities granted (Notes 30 and 32).
- (iii) Details of the investment properties are set out in Note 41.

Fair value hierarchy - Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$'000	\$'000	\$'000
31 December 2016			
- Investment properties	-	-	90,706
 31 December 2015			
- Investment properties	-	-	90,977

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



25. Investment properties (continued)

Valuation technique and inputs used in Level 3 fair value measurements

The following table represents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2016 (\$'000)	Valuation Technique(s)	Unobservable inputs ¹	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	90,706 (2015: 90,977)	Income and cost method	Rental per square metre	S\$3 to S\$150 (2015: S\$3 to S\$150) per square metre	The higher the rental value per square metre, the higher the fair value.
		Adjusted market comparison method	Market value per square metre	S\$20,000 to S\$30,000 (2015: S\$20,000 to S\$30,000) per square metre	The higher the market value per square metre, the higher the fair value.

¹There were no significant inter-relationships between unobservable inputs.

Valuation processes of the Group

The fair value of investment properties are determined annually by independent professional valuers at the end of every financial year based on the properties' highest and best use. They are carried at fair value at the balance sheet date.

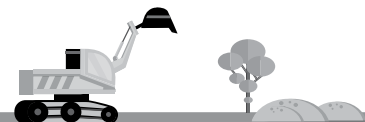
At each financial year, management:

- provides all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

Changes in Level 3 fair values are analysed at each reporting date during management meetings. As part of this discussion, a report is presented to the Audit and Risk Committee that explains the reasons for the fair value movements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



26. Property, plant and equipment

Group	Freehold land	Buildings on freehold land	Leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings, office and hotel equipment	Assets under construction	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost or valuation								
At 1 January 2016								
Cost	26,183	18,539	19,257	74,911	26,757	12,762	4,512	182,921
Independent valuation in 1993 [Note 26(iv)]	16,250	6,487	5,489	-	-	-	-	28,226
	42,433	25,026	24,746	74,911	26,757	12,762	4,512	211,147
Currency translation differences	(428)	(99)	(43)	(73)	(87)	12	-	(718)
Additions	-	-	-	9,084	5,238	1,193	2,174	17,689
Disposals	-	-	-	(2,398)	(5,794)	(330)	-	(8,522)
Write off	-	-	-	(2,221)	-	(90)	-	(2,311)
At 31 December 2016	42,005	24,927	24,703	79,303	26,114	13,547	6,686	217,285
Represented by:								
Cost	25,755	18,440	19,214	79,303	26,114	13,547	6,686	189,059
Independent valuation in 1993 [Note 26(iv)]	16,250	6,487	5,489	-	-	-	-	28,226
	42,005	24,927	24,703	79,303	26,114	13,547	6,686	217,285
Accumulated depreciation and impairment loss								
At 1 January 2016								
Currency translation differences	-	9,512	8,223	64,831	16,761	9,647	-	108,974
Disposals	-	(8)	3	(87)	(64)	17	-	(139)
Write off	-	-	-	(2,308)	(5,627)	(234)	-	(8,169)
Depreciation charge [Note 26(i)]	-	338	1,092	4,532	3,127	953	-	10,042
At 31 December 2016	-	9,842	9,318	64,748	14,197	10,301	-	108,406
Net book value at 31 December 2016	42,005	15,085	15,385	14,555	11,917	3,246	6,686	108,879

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



26. Property, plant and equipment (continued)

Group	Freehold land	Buildings on freehold land	Leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings, office and hotel equipment	Assets under construction	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost or valuation								
At 1 January 2015								
Cost	10,044	18,967	19,936	72,670	24,596	12,584	1,523	160,320
Independent valuation in 1993 [Note 26(iv)]	16,250	6,487	5,489	-	-	-	-	28,226
	26,294	25,454	25,425	72,670	24,596	12,584	1,523	188,546
Currency translation differences	(1,259)	(428)	(165)	27	6	(72)	21	(1,870)
Transfers	-	-	-	603	-	-	(603)	-
Additions	17,398	-	-	2,501	3,658	562	3,615	27,734
Disposals	-	-	-	(802)	(765)	(136)	-	(1,703)
Write off	-	-	(514)	(88)	(738)	(176)	(44)	(1,560)
At 31 December 2015	42,433	25,026	24,746	74,911	26,757	12,762	4,512	211,147
Represented by:								
Cost	26,183	18,539	19,257	74,911	26,757	12,762	4,512	182,921
Independent valuation in 1993 [Note 26(iv)]	16,250	6,487	5,489	-	-	-	-	28,226
	42,433	25,026	24,746	74,911	26,757	12,762	4,512	211,147
Accumulated depreciation and impairment loss								
At 1 January 2015	-	8,763	8,020	60,910	15,765	9,110	-	102,568
Currency translation differences	-	(24)	39	51	2	(42)	-	26
Disposals	-	-	-	(802)	(673)	(126)	-	(1,601)
Write off	-	-	(514)	(88)	(732)	(174)	-	(1,508)
Depreciation charge [Note 26(i)]	-	773	678	4,760	2,399	879	-	9,489
At 31 December 2015	-	9,512	8,223	64,831	16,761	9,647	-	108,974
Net book value at 31 December 2015	42,433	15,514	16,523	10,080	9,996	3,115	4,512	102,173

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



26. Property, plant and equipment (continued)

	Group	
	2016	2015
	S\$'000	S\$'000
(i) Depreciation capitalised in construction contract work-in-progress (Note 15)	3,957	2,646
Depreciation charged to profit or loss (Note 7)	6,085	6,843
Total depreciation	10,042	9,489
 (ii) The carrying amounts of property, plant and equipment acquired under finance leases are as follows:		
Plant and machinery	5,381	3,864
Motor vehicles	6,146	6,942
Office equipment	8	-
	11,535	10,806
 (iii) Included within additions in the consolidated financial statements are property, plant and equipment acquired under finance leases amounting to S\$4,717,000 (2015: S\$2,482,000).		
 (iv) The valuation made in 1993, in connection with the listing of the Company, was performed by Messrs Knight Frank, Cheong Hock Chye & Baillieu (Property Consultants) Pte Ltd, a firm of independent valuers based on an open market existing use basis as at 31 December 1993.		
 (v) If the revalued property, plant and equipment had been included in the financial statements at cost less accumulated depreciation, their net book values would be as follows:		
	Group	
	2016	2015
	S\$'000	S\$'000
Freehold land	15,293	15,293
Buildings on freehold land	3,465	3,590
Leasehold land and buildings	416	550
 (vi) At 31 December 2016, freehold land, buildings on freehold land and leasehold land and buildings with a carrying value of S\$52,828,000 (2015: S\$33,678,000) are mortgaged to banks for credit facilities granted (Notes 30 and 32).		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



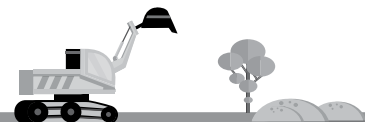
26. Property, plant and equipment (continued)

(vii) The Group's major properties included in property, plant and equipment are as follows:

<u>Name and location</u>	<u>Description</u>	<u>Land area (Sq ft)</u>	<u>Built-up area (Sq ft)</u>	<u>Tenure</u>
(a) Koh Brothers Building 11 Lorong Pendek Singapore 348639	Industrial building	12,002	23,835	Freehold
(b) Oxford Hotel 218 Queen Street Singapore 188549	Hotel	8,049	52,890	Freehold
(c) 65 Sungei Kadut Drive Singapore 729564	Factory-cum- office building	94,399	48,540	30 years lease from 16 December 1990
(d) 50 Tuas Crescent Singapore 638730	Factory-cum- office building	234,625	123,107	60 years lease from 16 July 1982
(e) PTD 103250 Jalan Idaman 3/9 Taman Perindustrian Senai 81400 Senai Johor Malaysia	Factory-cum- office building	504,425	304,414	Freehold
(f) 30 Tuas South Street 6 Singapore 638737	Industrial land	92,542	30,550	22 years 6 months from 2 May 2015
(g) 15 Genting Lane Singapore 348640	Industrial land	10,820	-	Freehold
(h) 1 Jalan Bioteknologi 3 Kawasan Perindustrian SiLC 79200 Nusajaya Johor Malaysia	Industrial land	581,613	-	Freehold
(i) 28 Third Lok Yang Road Singapore 628016	Factory-cum- office building	27,024	22,025	48 years 8 months from 20 October 1983
(j) Lot 6 Jalan Pasaran 23/5 Kawasan Miel Phase 10 40300 Shah Alam Selangor Darul Ehsan Malaysia	Factory-cum- office building	42,637	28,614	99 years from 15 August 1997

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



27. Goodwill

	Group	
	2016	2015
	S\$'000	S\$'000
Cost		
Balance at 1 January and 31 December	5,078	5,078

Impairment tests for goodwill

Goodwill arising from the Group's acquisition of Koh Brothers Eco Engineering Limited and its subsidiaries is allocated to the "Bio-Refinery and Bio-Energy" cash-generating unit ("CGU").

The Group tests the CGU annually for impairment or more frequently if there are indicators the goodwill might be impaired.

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period.

Key assumptions used for value-in-use calculations

	Group	
	2016	2015
Gross margin ⁽¹⁾	21%	12%
Terminal growth rate ⁽²⁾	2%	2%
Discount rate ⁽³⁾	13%	13%

⁽¹⁾ Budgeted gross margin

⁽²⁾ Weighted average growth rate used to extrapolate cash flows beyond the budget period

⁽³⁾ Pre-tax discount rate applied to the pre-tax cash flow projections

These assumptions were used for the analysis of the CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments. The sensitivity analysis of the recoverable amount of the CGU is set out in Note 3.1(b).

28. Trade payables

- (i) Included in current and non-current advances received on construction contract of S\$684,000 (2015: S\$922,000) (Note 15) and advance billings on construction contracts of S\$5,166,000 (2015: S\$9,470,000).
- (ii) The non-current trade payables due to third parties are presented at amortised cost and computed based on cash flows discounted at market borrowing rates of approximately 4% (2015: 4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



29. Other liabilities

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
<u>Current</u>				
Accruals for operating expenses	18,853	39,356	136	1,724
Sundry payables	9,820	9,363	-	3
Deposits and advances received	2,525	3,069	-	-
Due to non-controlling interest [Note 29(i)]	1,733	1,182	-	-
Due to directors [Note 29(ii)]	511	409	472	376
Indirect taxes payable	1,673	281	6	-
	35,115	53,660	614	2,103

(i) The non-trade amount due to non-controlling interest is unsecured, interest-free and is repayable on demand.

(ii) The amounts due to directors are unsecured, interest-free and are repayable on demand.

30. Short-term borrowings and finance leases

	Group	
	2016 S\$'000	2015 S\$'000
Bills payable		
- Unsecured	1,980	7,363
Short-term bank loans		
- Secured [Note 30(ii)]	-	4,898
- Unsecured	20,796	7,381
	20,796	12,279
Term loans payable within one year (Note 32)		
- Secured	2,977	89,522
Finance lease payables within one year (Note 31)	2,471	2,543
	28,224	111,707

(i) *Effective interest rates*

The bills payable are interest-bearing at a rate of 2.65% (2015: 2.35%) per annum.

Weighted average effective interest rates per annum of short-term bank loans at the balance sheet date is 2.42% (2015: 2.73%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



30. Short-term borrowings and finance leases (continued)

(ii) The short-term bank loans are secured as follows:

	Group	
	2016 S\$'000	2015 S\$'000
Freehold land, buildings on freehold land [Note 26(vi)]	-	4,898

31. Finance leases

Minimum lease payments due:

- Not later than one year	2,592	2,613
- Between one and five years	2,859	1,590
	5,451	4,203
Less: Future finance charges	(225)	(129)
Present value of finance lease liabilities	5,226	4,074

The Group leases certain plant and machinery and motor vehicles from non-related parties under finance leases.

The present value of finance lease liabilities is analysed as follows:

Current liabilities		
- Not later than one year (Note 30)	2,471	2,543
Non-current liabilities		
- Between one and five years	2,755	1,531
	5,226	4,074

The weighted average effective interest rate of finance leases at the balance sheet date is 2.41% (2015: 2.12%) per annum.

32. Bank borrowings

	Due within one year		Due after one year	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Group				
Term loans (secured)	2,977	89,522	58,963	60,569

(Note 30)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



32. Bank borrowings (continued)

Details of the term loans are as follows:

- (i) A term loan of S\$8,211,000 (2015: S\$10,147,000) is secured by way of a first legal mortgage on a freehold property [Note 26(vi)]. It is repayable in equal monthly instalment basis up to 31 December 2020.
- (ii) Term loans of S\$21,700,000 (2015: S\$21,700,000) are secured by way of a first legal mortgage over the Company's investment property [Note 25(ii)], assignments of all rights, title, benefits and interests in connection with any insurance policies, leases, tenancy agreements and/or sale and purchase agreements with respect to the property. The loan is fully repayable by 24 July 2019.
- (iii) Term loans of S\$24,800,000 (2015: S\$24,800,000) are secured by way of a first legal mortgage over the Company's investment property [Note 25(ii)], assignments of all rights, title, benefits and interests in connection with any insurance policies, leases, tenancy agreements and/or sale and purchase agreements with respect to the property. The term loan is fully repayable on 24 July 2019.
- (iv) As at the end of the previous financial year, term loans of S\$87,175,000 were secured by way of first legal mortgage on the 99-year leasehold land parcel (Note 19). The term loans were secured by way of an assignment of all Company's rights, title, benefits and interests in connection with any construction contracts, performance bonds, insurance policies, lease, tenancy agreements and/or sale and purchase agreements with respect to the development. The term loans were fully repaid during the financial year.
- (v) A term loan of S\$4,117,000 (2015: S\$4,408,000) is secured by way of first legal mortgage on the freehold investment properties [Note 25(ii)]. It is repayable for the first 24 instalments from the date of first partial disbursement of the loan and a term of 15 years up to 31 March 2030.
- (vi) Term loans of S\$3,112,000 (2015: S\$1,861,000) are secured by way of first legal mortgage on freehold land [Note 26(vi)]. It is repayable in 60 monthly instalments commencing from January 2016.
- (vii) The carrying amounts of the non-current term loans approximate their fair values, as the term loans bear interest at variable rates, which are re-priced within a period of up to six months. These term loans can be contractually re-priced at one, two, three or six monthly intervals.
- (viii) The weighted average effective interest rate at the balance sheet date is 2.39% (2015: 2.82%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



33. Notes payables

The Company has established a S\$250 million Multicurrency Medium Term Note programme, under which the Company may, from time to time, issue notes in series or tranches in Singapore Dollars or in other currencies, in various amounts and tenors and interest rates agreed between Company and the relevant dealer. The net proceeds arising from the issue of notes will be used for general corporate purposes, financing investments and general working capital of the Group.

The Company issued the first series of notes amounting to S\$50 million in July 2014. The notes bear a fixed rate of 4.80% per annum payable semi-annually in arrear and have a tenor of 3.5 years. At the balance sheet date, the carrying amounts of the notes approximate its fair value.

34. Share capital, treasury shares and reserves

Group and Company	No. of		Amount	
	← ordinary shares →		←	→
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	S\$'000	S\$'000
2016				
Balance at 1 January	456,475	(41,495)	42,653	(12,919)
Treasury shares purchased	-	(1,300)	-	(367)
Cancellation of treasury shares	(18,475)	18,475	(5,672)	5,672
Balance at 31 December	438,000	(24,320)	36,981	(7,614)
2015				
Balance at 1 January	466,475	(43,588)	45,320	(13,061)
Treasury shares purchased	-	(7,907)	-	(2,525)
Cancellation of treasury shares	(10,000)	10,000	(2,667)	2,667
Balance at 31 December	456,475	(41,495)	42,653	(12,919)

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

(a) Treasury shares

The Company acquired 1,300,000 (2015: 7,907,000) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was S\$367,000 (2015: S\$2,525,000) and this was presented as a component within shareholders' equity.

The Company cancelled 18,475,400 (2015: 10,000,000) treasury shares amounting to S\$5,672,000 (2015: S\$2,667,000) during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



34. Share capital, treasury shares and reserves (continued)

(b) Other reserves

	Group	
	2016 \$'000	2015 \$'000
Composition:		
Fair value reserve	(486)	(345)
Capital reserve	1,689	(96)
	1,203	(441)
Movements:		
<i>(i) Fair value reserve</i>		
Balance at 1 January	(345)	(310)
Change in ownership interests in subsidiaries [Note 24(a)]	96	-
Dividend in species of shares in a subsidiary [Note 24(b)]	19	-
Fair value losses on available-for-sale financial assets (Note 20)	(411)	(35)
Less: Non-controlling interests	155	-
Balance at 31 December	(486)	(345)
<i>(ii) Capital reserve</i>		
Balance at 1 January	(96)	(96)
Transfer from non-controlling interest on expiry of warrants [Note 34(ii)]	1,785	-
Balance at 31 December	1,689	(96)

As at 31 December 2016 and 31 December 2015, capital reserve comprises:

(i) Goodwill in relation to acquisitions of subsidiaries prior to 1 January 2001.

(ii) On 28 February 2013, the Company subscribed for warrants in a subsidiary amounting to S\$3,015,000 [Note 13(a)]. As a result of the subscription, the value of the warrants attributed to non-controlling interests is S\$1,785,000. Subsequently, these warrants expired during the financial year without any being exercised.

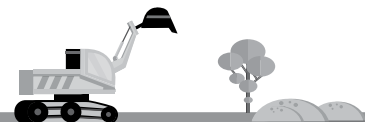
Other reserves are not available for dividend distribution.

(c) Retained profits

Retained profits of the Group are distributable except for accumulated retained profits of associated companies amounting to S\$500,000 (2015: S\$611,000). Retained profits of the Company are fully distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



34. Share capital, treasury shares and reserves (continued)

(d) Currency translation reserve

	Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 January	(8,004)	(7,529)
Change in ownership interests in subsidiaries	(459)	-
Dividend in species of shares in a subsidiary	52	-
Net currency translation differences of financial statements of foreign operations	(143)	(1,878)
Less: Non-controlling interests	(807)	1,403
Balance at 31 December	<u>(9,361)</u>	<u>(8,004)</u>

35. Dividend

	Company	
	2016 S\$'000	2015 S\$'000
Special and final dividend paid in respect of the previous financial year ended of 0.80 cent (2015: 0.80 cent) per share	<u>3,318</u>	<u>3,327</u>

In addition to the cash dividend paid during the financial year, the Company has also declared and distributed dividend in specie in shares of Koh Brothers Eco Engineering Limited ("KBE shares") [Note 24(a)]. This is accounted for as an appropriation of the Company's retained profits amounting to S\$1,944,000 at the Company level, and as a transaction with non-controlling interests at the Group level [Note 24(a)].

At the forthcoming Annual General Meeting, a final cash dividend of 0.35 cent per share amounting to a total of S\$1,448,000 will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2017.

36. Commitments

(a) Operating lease commitments - where a group company is a lessee

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



36. Commitments (continued)

(a) Operating lease commitments - where a group company is a lessee (continued)

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

	Group	
	2016 S\$'000	2015 S\$'000
Not later than one year	3,535	5,640
Between one and five years	4,349	5,731
Later than five years	8,639	9,804
	16,523	21,175

(b) Operating lease commitments - where a group company is a lessor

The Group leases out commercial space to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increases to the lease payments or contingent rents computed based on their sales achieved during the lease period.

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

Not later than one year	967	1,033
Between two and five years	952	650
	1,919	1,683

37. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Where possible, the Group seeks to match assets and liabilities of the same currency. Derivative financial instruments are only used where necessary to reduce exposure to fluctuation in foreign exchange rates and interest rates.

(a) Market risk

(i) Currency risk

The Group operates mainly in Asia with operations mainly in Singapore, Malaysia and People's Republic of China. Entities in the Group transact predominantly in their respective functional currencies, except for balances between entities in the Group.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Malaysian Ringgit ("MYR") and Chinese Renminbi ("RMB"). The Group monitors the foreign currency exchange rate movements closely to ensure that its exposures are minimised. The Group has investments in foreign subsidiaries and is exposed to currency translation risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

Group	SGD S\$'000	USD S\$'000	RMB S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
2016						
Financial assets						
Cash and bank balances	24,864	11,145	258	6,340	620	43,227
Available-for-sale financial assets	7,529	-	-	-	-	7,529
Trade and other receivables	142,921	2,673	2,274	3,872	571	152,311
Due from customers on construction contracts	35,067	-	-	-	-	35,067
Amount due from joint ventures	81,992	-	-	-	-	81,992
Development properties	1,189	-	-	-	-	1,189
Inter-company balances	213,965	-	2,535	224	-	216,724
	507,527	13,818	5,067	10,436	1,191	538,039
Financial liabilities						
Borrowings	(134,954)	(1,043)	(834)	(3,111)	-	(139,942)
Trade and other payables	(116,298)	(936)	(6,252)	(6,729)	(2,909)	(133,124)
Amount due associated companies	(469)	-	-	(16)	-	(485)
Amounts due to joint ventures	(15,507)	-	-	-	-	(15,507)
Inter-company balances	(213,965)	-	(2,535)	(224)	-	(216,724)
	(481,193)	(1,979)	(9,621)	(10,080)	(2,909)	(505,782)
Net financial assets/ (liabilities)	26,334	11,839	(4,554)	356	(1,718)	32,257
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currency	(30,907)	-	7,296	(754)	3,497	(20,868)
Net currency exposure	(4,573)	11,839	2,742	(398)	1,779	11,389

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Group	SGD S\$'000	USD S\$'000	RMB S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
2015						
Financial assets						
Cash and bank balances	48,918	12,745	204	2,481	117	64,465
Available-for-sale financial assets	7,940	-	-	-	-	7,940
Trade and other receivables	210,363	5,509	4,456	8,015	793	229,136
Due from customers on construction contracts	15,879	-	-	-	-	15,879
Amount due from joint ventures	79,475	-	-	-	-	79,475
Development properties	1,198	-	-	-	-	1,198
Inter-company balances	277,842	-	2,008	549	2,586	282,985
	641,615	18,254	6,668	11,045	3,496	681,078
Financial liabilities						
Borrowings	(220,171)	(686)	(1,089)	(1,861)	-	(223,807)
Trade and other payables	(111,551)	(810)	(7,795)	(5,013)	(2,420)	(127,589)
Amount due associated companies	(1,016)	-	-	(103)	-	(1,119)
Amounts due to joint ventures	(15,507)	-	-	-	-	(15,507)
Inter-company balances	(277,842)	-	(2,008)	(549)	(2,586)	(282,985)
	(626,087)	(1,496)	(10,892)	(7,526)	(5,006)	(651,007)
Net financial assets/ (liabilities)	15,528	16,758	(4,224)	3,519	(1,510)	30,071
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currency	(41,062)	-	6,386	(5,800)	(1,690)	(42,166)
Net currency exposure	(25,534)	16,758	2,162	(2,281)	(3,200)	(12,095)

For the financial years ended 31 December 2016 and 2015, the Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies. All financial assets and financial liabilities are denominated in SGD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB and MYR changes against the SGD by 5% (2015: 6%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial assets and liabilities on profit after tax and other comprehensive income will be as follows:

Group	2016		2015	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
	← Increase / (decrease) →			
USD against SGD				
- Strengthened	491	-	835	-
- Weakened	(491)	-	(835)	-
RMB against SGD				
- Strengthened	114	(206)	108	(129)
- Weakened	(114)	206	(108)	129
MYR against SGD				
- Strengthened	(20)	258	(114)	794
- Weakened	20	(258)	114	(794)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets. The Group's exposure to cash flow interest rate risks arises mainly from the Group's debt obligations. The Group manages its cash flow interest rate risks by adopting a preference for fixed rate instruments over variable-rate instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 1% (2015: 1%) with all other variables including tax rate being held constant, the profit after tax will be lower/higher by S\$680,000 (2015: S\$1,409,000) as a result of higher/lower interest expense on these borrowings.

(iii) Price risk

The Group is exposed to equity securities and debt securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheets as financial assets, at fair value through profit or loss (Note 13) and available-for-sale financial assets (Note 20). These securities are listed in Singapore. The Group is not exposed to commodity price risk.

If prices for equity securities and debt securities listed in Singapore change by 10% (2015: 10%) with all other variables including tax rate being held constant, the profit after tax and other comprehensive income will be:

	2016		2015	
	← Increase / (decrease) →			
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Listed in Singapore				
- Increased by 10%	4	753	5	794
- Decreased by 10%	(4)	(753)	(5)	(794)

The Company is not exposed to price risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(b) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers who require credit over a certain amount. Where appropriate, the Company or its subsidiaries obtain bankers' guarantee or performance bond from the customer. Cash term, advance payments, bankers' guarantees and performance bonds are required for customers of lower credit standing. The Group has no significant concentrations of credit risk due to its large number of customers and cover a large spectrum of activities and markets in which they operate.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. In addition, at 31 December 2016, the Company furnished banks and financial institutions guarantees for facilities extended to subsidiaries and joint venture companies amounting to S\$696,783,000 (2015: S\$889,669,000), of which the amount utilised at 31 December 2016 was S\$420,668,000 (2015: S\$536,959,000).

The Group's and Company's major classes of financial assets are bank deposits and receivables.

The credit risk for receivables based on the information provided to key management is as follows:

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
By geographical areas				
Singapore	214,768	179,118	56,860	59,647
People's Republic of China	3,328	5,555	-	-
Malaysia	10,364	7,951	662	662
The rest of Asia and others	5,843	4,111	-	-
	234,303	196,735	57,522	60,309
By types of customers				
Related corporations	-	-	57,506	60,309
Joint ventures	81,992	82,896	-	-
Non-related parties			-	
- Other corporations	96,187	97,829	16	-
- Government-related	56,124	16,010	-	-
	234,303	196,735	57,522	60,309

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

All bank deposits are neither past due nor impaired, and are mainly placed with banks with high credit ratings. Receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for receivables.

The age analysis of receivables past due but not impaired is as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Past due 0 to 3 months	11,642	22,046
Past due 3 to 6 months	3,791	3,524
Past due over 6 months	15,411	17,741
	30,845	43,311

There is no other class of financial assets that is past due and/or impaired for the Company.

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

Gross amount		
- Past due over 6 months	8,455	9,612
Less: Allowance for impairment	(8,455)	(9,612)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired (continued)

	Group	
	2016 S\$'000	2015 S\$'000
Balance at 1 January	(9,612)	(8,475)
Currency translation difference	275	(36)
Allowance made	450	(1,425)
Allowance written off	-	324
Allowance written back	1,332	-
Balance at 31 December	<u>(8,455)</u>	<u>(9,612)</u>

The impaired receivables arise mainly from debtors that are in significant financial difficulties and have defaulted on payments.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

Group	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
At 31 December 2016				
Payables	143,558	651	6,748	-
Borrowings	30,051	6,179	55,359	2,981
Notes payables	2,400	50,013	-	-
<hr/>				
At 31 December 2015				
Payables	140,545	2,610	1,060	-
Borrowings	115,574	4,661	59,153	2,981
Notes payables	2,400	2,400	51,200	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(c) Liquidity risk (continued)

Company	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
At 31 December 2016				
Other payables	614	-	-	-
Amount due to subsidiaries	25,693	-	-	-
Notes payables	2,400	50,013	-	-
Financial guarantee contracts	420,668	-	-	-
At 31 December 2015				
Other payables	2,103	-	-	-
Amount due to subsidiaries	6,877	-	-	-
Notes payables	2,400	2,400	51,200	-
Financial guarantee contracts	536,959	-	-	-

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

(d) Capital risk

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

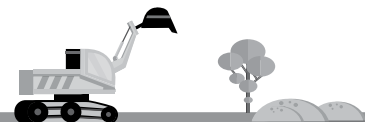
The gearing ratio is calculated as net debt divided by shareholders funds. Net debt is calculated as borrowings less cash and bank balances.

	Group	
	2016 S\$'000	2015 S\$'000
Net debt	96,715	159,342
Shareholders' funds	264,296	257,205
Gearing ratio (times)	0.37	0.62

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(e) Fair value measurements

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

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

See Note 25 for disclosure of the investment properties that are measured at fair value.

Group	Level 1	Level 2	Total
	S\$'000	S\$'000	S\$'000
2016			
<u>Assets</u>			
Financial assets, at fair value through profit or loss	40	-	40
Available-for-sale financial assets	7,529	-	7,529
2015			
<u>Assets</u>			
Financial assets, at fair value through profit or loss	49	-	49
Available-for-sale financial assets	7,940	-	7,940

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (warrants issued by a subsidiary) is determined by using the Black-Scholes model. The significant input in the valuation is the subsidiary's quoted market price at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



37. Financial risk management (continued)

(f) Financial instrument by category

The carrying amounts of financial assets measured at fair value (fair value through profit and loss and available-for-sale) are disclosed on the face of the balance sheet and in Note 13 and Note 20 respectively.

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Loans and receivables	312,597	385,345	57,643	61,239
Financial liabilities at amortised cost	290,899	368,022	76,307	58,980

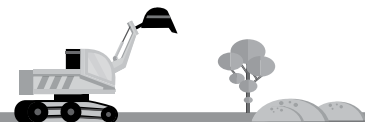
38. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant transactions with related parties on terms agreed between the parties concerned as shown below:

	Group	
	2016 S\$'000	2015 S\$'000
(a) Sales and purchases of goods and services		
(i) Progressive billing recognised from sale of residential property to a key management personnel	109	328
(ii) Progressive billing recognised from sale of residential property to a related party	677	338
(iii) Progressive billing to build a residential property to a key management personnel	833	791
(iv) Rental income from a key management personnel	38	38
(v) Purchase of goods from an associated company	1,996	3,055
(vi) Progressive billing to build residential properties for a joint venture	59,441	36,579

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



38. Related party transactions (continued)

Related party comprises Company which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2016 and 2015, arising from sale/purchase of goods and services, are disclosed in Notes 14, 16, 17 and 29.

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Salaries and other short-term employee benefits	6,479	8,390
Post-employment benefits - contribution to Central Provident Fund	268	325
	6,747	8,715

Included in the above was total compensation to directors of the Company amounting to S\$467,000 (2015: S\$416,000).

39. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chief Executive Officer and the Executive Directors.

The Exco considers the business from a business segment perspective. Management manages and monitors the business in three main business segments which are Construction and Building Materials, Real Estate and Leisure & Hospitality. The Exco assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

- (1) Construction and Building Materials - This business segment undertakes construction activities for "engineering and construction", "bio-refinery and bio-energy" segments and sales of building materials. Management has aggregated the above businesses under Construction and Building Materials as they have similar economic growth prospects.
- (2) Real Estate - This business segment involves real estate development and rental of properties.
- (3) Leisure & Hospitality - This business segment involves hotel and leisure operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



39. Segment information (continued)

The segment information and the reconciliations of segment results to profit before tax and segment assets and liabilities to total assets and liabilities are as follows:

(\$'000)	Real Estate	Leisure & Hospitality	Construction and Building Materials	Others	Total	
2016						
Sales						
- External	6,234	3,092	336,394	-	345,720	
- Inter-segment	372	8	10,392	-	10,772	
	<u>6,606</u>	<u>3,100</u>	<u>346,786</u>	<u>-</u>	356,492	
Elimination					(10,772)	
					<u>345,720</u>	
Results						
Segment results	5,319	(760)	1,659	(409)	5,810	
Net investment gain	-	-	1	-	1	
Interest income					2,288	
Finance expenses (Note 9)					(4,101)	
Share of profit of associated companies	-	-	175	-	175	
Share of profit of joint ventures	13,105	-	-	-	13,105	
Profit before income tax					<u>17,278</u>	
Other information						
Capital expenditure	1,171	133	16,385	-	17,689	
Depreciation	146	736	5,203	-	6,085	
(\$'000)	Real Estate	Leisure & Hospitality	Construction and Building Materials	Others	Elimination	Total
2016						
Segment assets	221,236	25,983	319,928	1,560	(46,547)	522,160
Associated companies	-	-	1,347	-	-	1,347
Joint ventures	77,196	-	-	-	-	77,196
Unallocated assets:						
Short-term bank deposits						8,504
Financial assets at fair value through profit or loss						40
Available-for-sale financial assets						7,529
Consolidated total assets						<u>616,776</u>
Segment liabilities	28,042	548	180,892	614	(21,315)	188,781
Unallocated liabilities:						
Current income tax liabilities						3,289
Deferred income tax liabilities						8,559
Borrowings						139,942
Consolidated total liabilities						<u>340,571</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



39. Segment information (continued)

(\$S'000)	Real Estate	Leisure & Hospitality	Construction and Building Materials	Others	Total	
2015						
Sales						
- External	140,616	3,550	283,154	-	427,320	
- Inter-segment	1,579	117	56,796	-	58,492	
	<u>142,195</u>	<u>3,667</u>	<u>339,950</u>	-	485,812	
Elimination					<u>(58,492)</u>	
					<u>427,320</u>	
Results						
Segment results	15,540	35	10,408	(344)	25,639	
Net investment gain	-	-	669	-	669	
Interest income					2,740	
Finance expenses (Note 9)					(5,671)	
Share of profit of associated companies	-	-	200	-	200	
Share of profit of joint ventures	13,066	-	-	-	<u>13,066</u>	
Profit before income tax					<u>36,643</u>	
Other information						
Capital expenditure	17,465	414	9,855	-	27,734	
Depreciation	157	722	5,964	-	6,843	
2015						
Segment assets						
Segment assets	346,406	26,812	305,212	2,341	(82,030)	598,741
Associated companies	-	-	1,452	-	-	1,452
Joint ventures	63,950	-	-	-	-	63,950
Unallocated assets:						
Short-term bank deposits						1,557
Financial assets at fair value through profit or loss						49
Available-for-sale financial assets						<u>7,940</u>
Consolidated total assets						<u>673,689</u>
Segment liabilities						
Segment liabilities	91,500	2,222	190,260	8,929	(128,647)	164,264
Unallocated liabilities:						
Current income tax liabilities						10,837
Deferred income tax liabilities						8,198
Borrowings						<u>223,807</u>
Consolidated total liabilities						<u>407,106</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



39. Segment information (continued)

The measurement of segment sales, results, assets and liabilities are as follows:

- (i) Inter-segment transactions are determined on an arm's length basis. The sales from external parties reported to the Exco are measured in a manner consistent with that in the statement of comprehensive income.
- (ii) The Exco assesses the performance of the operating segments based on a measure of segment results. This measurement excludes the income or expenses that are not expected to recur regularly in every period. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash performance of the Group.
 - (a) The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than short-term bank deposits, financial assets, at fair value through profit or loss and available-for-sale financial assets.
 - (b) The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments other than current income tax liabilities, deferred income tax liabilities and borrowings.

Geographical information

The Group's three business segments operate in four main geographical areas: Singapore, People's Republic of China, Malaysia and the rest of Asia.

The following table presents sales and non-current assets information for the main geographical areas for the financial years ended 31 December 2016 and 2015.

	Group	
	2016	2015
Sales	S\$'000	S\$'000
Singapore	315,485	387,073
People's Republic of China	1,640	4,312
Malaysia	7,804	18,371
Indonesia	3,496	6,313
Others	17,295	11,251
	345,720	427,320
Non-current assets		
Singapore	282,940	250,463
People's Republic of China	91	525
Malaysia	11,697	12,383
The rest of Asia	3,665	3,680
	298,393	267,051

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



39. Segment information (continued)

Information about major customers

Revenue of approximately 60% (2015: 13%) are derived from three (2015: one) major customers. These revenue are attributable to the Construction and Building Materials segment.

40. Group companies

The subsidiaries, joint ventures and associated companies at 31 December 2016 and 2015 are as follows:

Name of company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2016	2015
SUBSIDIARIES				
Held by the Company:				
Construction Consortium Pte. Ltd. ^a	Singapore	Investment holding	100%	100%
Koh Brothers Development Pte Ltd ^a	Singapore	Property development and management services	100%	100%
Koh Brothers Holdings Pte Ltd ^a	Singapore	Investment holding and property investment	100%	100%
Koh Brothers Investment Pte Ltd ^a	Singapore	Hotel investment	100%	100%
Koh Brothers Eco Engineering Limited ^a	Singapore	Construction project management and investment holding	64.59%	40.96%
Koh Brothers International Pte. Ltd.	Singapore	Investment holding	100%	-
Oxford Hotel Pte Ltd ^a	Singapore	Hotel management	100%	100%
Held by Subsidiaries:				
Asta-Profits Investments Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
Bellwood Investments Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
Changi Properties Pte Ltd ^a	Singapore	Property development and management services	100%	100%
KBD Kosdale Pte. Ltd. ^a	Singapore	Property investment	100%	100%
KBD Flora Pte. Ltd. ^a	Singapore	Project management and property development	100%	100%
Kosland Pte. Ltd. ^a	Singapore	Property investment	100%	100%
Koh Brothers - Logan Pte. Ltd. ⁱ	Singapore	Property developer and investment holding	100%	-
Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. ^a	Singapore	Building and civil engineering contracting	64.59%	100%
Eminent Capital Investments Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
G & W Concrete Products Pte Ltd ^a	Singapore	Manufacture of concrete products	100%	100%
G & W Industries Pte Ltd ^a	Singapore	Manufacture of cement	100%	100%
G & W Industrial Corporation Pte Ltd ^a	Singapore	Investment holding	100%	100%
G & W Precast Pte Ltd ^a	Singapore	Manufacture of precast products	100%	100%
G & W Ready-Mix Pte Ltd ^a	Singapore	Manufacture of building materials and rental of construction equipment	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



40. Group companies (continued)

Name of company	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2016	2015
SUBSIDIARIES (continued)				
Held by Subsidiaries: (continued)				
Megacity Investment Pte Ltd ^a	Singapore	Investment holding	100%	100%
Megaplus Investments Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
Scenic City Investment Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
Wealthplus Pte Ltd	Singapore	In Members' Voluntary Liquidation	-	-
KBD Ventures Pte Ltd ^a	Singapore	Project and travel management services	100%	100%
Beijing G & W Cement Products Co., Ltd ^b	People's Republic of China	Manufacture of building materials	55%	55%
USL-G&W Global Pte. Ltd. (f.k.a USL Asia Pacific Pte Ltd) ^a	Singapore	Manufacture of construction products	75%	75%
Shantou Scenic Bay Property Development Co., Ltd	People's Republic of China	In Members' Voluntary Liquidation	-	-
Shantou Scenic View Property Development Co., Ltd	People's Republic of China	In Members' Voluntary Liquidation	-	-
Dalian Megacity Trading Co., Ltd ^f	People's Republic of China	Logistic and business services	100%	100%
PT. Koh Brothers Indonesia ^e	Indonesia	Property investment and development	100%	100%
G & W Building Materials Sdn. Bhd. ^c	Malaysia	Manufacture of building materials	100%	100%
G & W Industries (M) Sdn. Bhd. ^c	Malaysia	Rental of equipment, properties and business services	100%	100%
Metax Eco Solutions Pte. Ltd. ^a	Singapore	Environmental engineering services	64.59%	40.96%
Koh Eco Engineering Pte. Ltd. ^a	Singapore	Engineering works and construction	64.59%	40.96%
Oiltek (S) Pte. Ltd. (f.k.a. WS Bioengineering Pte. Ltd.) ^a	Singapore	Construction and project management	64.59%	40.96%
MetEco Solutions Sdn. Bhd. ^c	Malaysia	Construction and project management	64.59%	40.96%
WS Bioengineering China Pte. Ltd. ^a	Singapore	Engineering, construction and management services	64.59%	40.96%
WSB Pte. Ltd. ^a	Singapore	Engineering, construction and management services	64.59%	40.96%
KBEE Engineering Sdn. Bhd. (f.k.a. WS Bioengineering Sdn. Bhd.) ^c	Malaysia	Construction and project management	64.59%	40.96%
Oiltek Sdn. Bhd. ^c	Malaysia	Specialist engineers and commission agent	51.70%	32.77%
Oiltek-Nova Bioenergy Sdn. Bhd. ^c	Malaysia	Specialist engineers and commission agent	33.61%	21.30%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



40. Group companies (continued)

Name of Company	Country of incorporation and business	Principal activities	% of ownership interest by the Group	
			2016	2015
JOINT VENTURE COMPANIES				
Held by Subsidiaries:				
Canberra Development Pte. Ltd. ^d	Singapore	Property investment	50%	50%
Buildhome Pte. Ltd. ^d	Singapore	Property development	50%	50%
Phileap Pte. Ltd. ^d	Singapore	Property development	25%	25%
KBD Westwood Pte. Ltd. ^{a, *}	Singapore	Property development	80%	80%
JOINT OPERATION ENTITIES				
Held by Subsidiary:				
Soletanche Bachy – Koh Brothers Joint Venture ^{a, #}	Singapore	Civil engineering	45%	45%
Samsung – Koh Brothers Joint Venture ^{h, #}	Singapore	Civil engineering	30%	30%
ASSOCIATED COMPANIES				
Held by Subsidiaries:				
Hi Con (S) Pte. Ltd. ^a	Singapore	Manufacture of chemicals	35%	35%
Tricaftan Environmental Technology Pte. Ltd. ^g	Singapore	Construction and project management	40%	40%

^a Audited by PricewaterhouseCoopers LLP, Singapore.

^b Audited by PricewaterhouseCoopers LLP, Singapore for the purpose of preparing the consolidated financial statements of the Group.

^c Audited by PricewaterhouseCoopers LLP, Malaysia.

^d Audited by Ernst & Young LLP, Singapore.

^e Audited by Riyanto, SE, Ak, Registered Public Accountants.

^f Audited by Dalian Zhao Lin Certified Public Accountant, China.

^g Audited by Reanda Adept Public Accounting Corporation, Singapore.

^h Audited by RSM Chio Lim LLP, Singapore.

ⁱ Exempt from audit as entity is dormant.

^j In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint venture companies and associated Company would not compromise the standard and effectiveness of the audit of the Group.

^{*} KBD Westwood Pte. Ltd. is regarded as a joint venture (Note 23) in accordance with FRS 111 Joint Arrangements based on the contractual term of agreement between the shareholders.

[#] These entities are regarded as joint operations in accordance with FRS 111 Joint Arrangements as the joint venture agreements for these entities require unanimous consent from all parties despite the Group having less than 50% ownership interest, and the partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. Therefore these entities are classified as joint operations and the Group recognise its direct right to the jointly held assets, liabilities, revenues and expenses as described in Note 2.3(d).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



41. Investment properties

Property	Tenure of land	Site area/gross floor area (sq ft)
(i) The First City Complex comprising commercial units, office units and service apartments at Pulau Batam, Indonesia	Right of use for 30 years from October 1988*	200,456 186,066
(ii) 11 shop units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	44,863** 22,895
(iii) 45 apartment units at Alocassia Apartments at 383 Bukit Timah Road, Singapore	Freehold	44,863** 35,166
(iv) 2 residential units at 1 Kiang Guan Avenue, Singapore	Freehold	3,456 3,456

* The land use right may be extended for another 20 years.

** The 11 shop units and 45 apartment units are located within the same building.

42. Development properties

Property	Tenure of land	Net saleable area (sq ft)	Group's effective interest in property
1 unsold unit at Parc Olympia, a residential development comprising of 486 units of condominium apartments	99-years leasehold	1,647	100%

43. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 and which the Group has not early adopted:

- Amendments to FRS 7 Cash flow statements (effective for annual periods beginning on or after 1 January 2017)

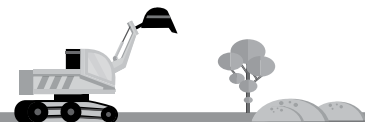
The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from:

- Cash flows, such as drawdowns and repayments of borrowings; and
- Non-cash changes, such as acquisitions, disposals and unrealised exchange differences.

This has no material impact on the amounts reported in the financial statements, but will result in additional disclosures in the consolidated statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



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

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

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

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

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

Management is currently assessing the effects of applying the new standard on the Group's financial statements and at this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

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

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through OCI and hence there will be no change to the accounting for these assets.

The other financial assets held by the Group include:

- equity investments currently measured at fair value through profit or loss which would likely to continue to be measured on the same basis under FRS 109; and
- debt instruments classified as loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016



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

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

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

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

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

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of \$16,523,000 [Note 36(a)]. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

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

- Full convergence with International Financial Reporting Standards (effective for annual periods beginning on or after 1 January 2018)

In May 2014, the Accounting Standards Council ("ASC") announced that Singapore-incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS) for the financial year ending 31 December 2018.

The Group which is currently reporting under FRS, will be required to apply all the specific transition requirements in IFRS 1 First-time Adoption of IFRS when it applies the new framework. ASC has highlighted that this may result in restatements of comparative information for the financial year ended 31 December 2017 and the opening balance sheet as at 1 January 2017, even though SFRS are substantially similar to IFRS, as this is mainly because the transition requirements in IFRS 1 are often different from those specified in individual FRS standards that were applied to the existing financial statements.

The Group is currently assessing the impact of application of the new framework.

44. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Koh Brothers Group Limited on 23 March 2017.

STATISTICS OF SHAREHOLDINGS

As at 9 March 2017



SHARE CAPITAL AND VOTING RIGHTS

Issued and paid-up capital : S\$36,981,331
 Number of shares issued : 438,000,000
 Number of treasury shares : 24,486,000
 Class of shares : Ordinary shares with equal voting rights¹

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	5	0.05	211	0.00
100 - 1,000	104	1.08	82,885	0.02
1,001 - 10,000	7,408	76.80	34,058,739	8.24
10,001 - 1,000,000	2,104	21.81	94,282,890	22.80
1,000,001 and above	25	0.26	285,089,275	68.94
Total	9,646	100.00	413,514,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Direct interest		Deemed interest	
	Number of shares	% ²	Number of shares	% ²
Koh Keng Siang	62,422,535	15.10	27,420,000 ³	6.63 ³
Koh Tiat Meng	61,308,654	14.83	-	-
Koh Teak Huat	32,213,088	7.79	325,000 ⁴	0.08 ⁴
Koh Keng Hiong	30,260,100	7.32	25,010,000 ⁵	6.05 ⁵
Quek Chee Nee	25,896,814	6.26	-	-

Notes

¹ Ordinary shares purchased and held as treasury shares by the Company will have no voting rights.

² The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 9 March 2017 (excluding 24,486,000 treasury shares).

³ Koh Keng Siang is deemed interested in (i) 20,000 shares held by his spouse and (ii) 27,400,000 shares pursuant to a Deed of Settlement and CDP Form 4.2 executed by Koh Tiat Meng.

⁴ Koh Teak Huat is deemed interested in 325,000 shares held by his spouse.

⁵ Koh Keng Hiong is deemed interested in (i) 10,000 shares held by his spouse and (ii) 25,000,000 shares pursuant to a Deed of Settlement and CDP Form 4.2 executed by Koh Tiat Meng.

STATISTICS OF SHAREHOLDINGS

As at 9 March 2017



TOP 20 SHAREHOLDERS

No.	Name	Number of shares	%
1	Koh Keng Siang	62,222,535	15.05
2	Koh Teak Huat	32,213,088	7.79
3	Koh Keng Hiong	30,260,100	7.32
4	Singapore Nominees Pte Ltd	27,450,000	6.64
5	Quek Chee Nee	25,896,814	6.26
6	Maybank Nominees (Singapore) Pte Ltd	25,000,000	6.05
7	Koh Kheng How	16,235,800	3.93
8	Morph Investments Ltd	13,962,100	3.38
9	Koh Tiat Meng	8,908,654	2.15
10	Phillip Securities Pte Ltd	5,403,200	1.31
11	Citibank Nominees Singapore Pte Ltd	5,278,000	1.28
12	DBS Nominees Pte Ltd	4,394,600	1.06
13	Loh Wing Wah	3,888,000	0.94
14	United Overseas Bank Nominees (Private) Limited	3,511,000	0.85
15	Koh Tiak Chye	2,728,000	0.66
16	OCBC Nominees Singapore Pte Ltd	2,636,200	0.64
17	Tan Noi Soon	2,400,000	0.58
18	OCBC Securities Private Ltd	2,112,884	0.51
19	CIMB Securities (Singapore) Pte Ltd	2,008,000	0.49
20	Tan Thian Hwee	1,939,100	0.47
	Total	278,448,075	67.36

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 9 March 2017, approximately 43.85% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING



KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)

(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of Koh Brothers Group Limited (the “**Company**”) will be held at Dunearn Ballroom, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Thursday, 20 April 2017 at 2.00 pm for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the directors’ statement and audited financial statements for the year ended 31 December 2016 and the auditor’s report thereon. **(Resolution 1)**
2. To declare a final dividend of 0.35 cent per share for the year ended 31 December 2016. **(Resolution 2)**
3. To re-elect the following directors, each of whom will retire by rotation pursuant to Article 109 of the Company’s Constitution and who, being eligible, will offer themselves for re-election:
 - (a) Mr Koh Tiat Meng **(Resolution 3)**
 - (b) Mr Koh Teak Huat **(Resolution 4)**
 - (c) Mr Lai Mun Onn **(Resolution 5)**
4. To re-elect the following directors who will retire pursuant to Article 119 of the Company’s Constitution and who, being eligible, will offer themselves for re-election:
 - (a) Mr Lee Sok Khian John **(Resolution 6)**
 - (b) Mr Ow Yong Thian Soo **(Resolution 7)**
5. To approve the sum of S\$467,000 as directors’ fees for the year ended 31 December 2016. (FY2015: S\$416,000) **(Resolution 8)**
6. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company and to authorise the directors to fix its remuneration. **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING



SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions, of which Resolutions 10 and 11 will be proposed as Ordinary Resolutions and Resolution 12 will be proposed as a Special Resolution:

7. **Proposed Renewal of the Share Issue Mandate** **(Resolution 10)**

That authority be and is hereby given to the directors of the Company to:

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

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

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

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 of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares excluding treasury shares (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of the total number of issued shares of the Company shall be based on the total number of issued shares excluding treasury shares at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares; and

NOTICE OF ANNUAL GENERAL MEETING



- (3) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. Proposed Renewal of Share Purchase Mandate

(Resolution 11)

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) (“**Companies Act**”), as may be amended or modified from time to time, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such prices or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

NOTICE OF ANNUAL GENERAL MEETING



(c) in this Resolution:

“Prescribed Limit” means 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

“Maximum Price”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined); and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as hereinafter defined),

where:

“Average Closing Price” means the average of the Closing Market Prices of the Shares over the last five Market Days (as hereinafter defined) on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

“Closing Market Price” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources;

“date of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities; and

(d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

All capitalised terms used in Resolution 11 of the Notice of Annual General Meeting which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Appendix to this Notice of Annual General Meeting of the Company dated 28 March 2017 to shareholders. Shareholders of the Company should refer to the Appendix for information relating to the proposed renewal of the Share Purchase Mandate.

NOTICE OF ANNUAL GENERAL MEETING



9. Proposed Adoption of the New Constitution

(Resolution 12)

That the regulations contained in the new Constitution submitted to this meeting and as set out in the Appendix, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

BY ORDER OF THE BOARD

Sharon Kem
Company Secretary

28 March 2017

EXPLANATORY NOTES:

- Resolution 5: Mr Lai Mun Onn will, upon re-appointment as a director of the Company, remain as the Chairman of the Remuneration Committee, and a member of the Audit and Risk Committee, the Nominating Committee and the Share Purchase Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
- Resolution 10: This Resolution is to empower the directors from the date of the Annual General Meeting until the date of the next Annual General Meeting to issue further shares and Instruments in the Company, including a bonus or rights issue. The maximum number of shares of which the directors may issue under this Resolution shall not exceed the quantum set out in the Resolution.
- Resolution 11: This Resolution is to renew the Share Purchase Mandate which was approved by shareholders on 27 April 2016. Please refer to the Appendix to this Notice of Annual General Meeting for more details.
- Resolution 12: This Resolution is to adopt a new Constitution, in substitution for, and replacement of, the Company's existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Resolution 12 will be proposed as a Special Resolution. Please refer to the Appendix to this Notice of Annual General Meeting for more details.

NOTICE OF ANNUAL GENERAL MEETING



NOTES:

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

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

"Relevant intermediary" has the meaning ascribed to it in Section 81 of the Companies Act, Chapter 50.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attn: The Company Secretary) not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.

PERSONAL DATA PRIVACY:

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of Koh Brothers Group Limited (the "**Company**") will be closed on 31 May 2017 for the purposes of determining shareholders' entitlements to the proposed dividend.

Duly completed transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #02-00, Singapore 068898 up to 5.00 pm on 30 May 2017 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ordinary shares of the Company as at 5.00 pm on 30 May 2017 will be entitled to the proposed dividend.

The proposed dividend, if approved by members at the Annual General Meeting of the Company, will be paid on 15 June 2017.

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KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)

(Incorporated in Singapore)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in **KOH BROTHERS GROUP LIMITED**, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS operators if they have any queries regarding their appointments as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 March 2017.

PROXY FORM

I/We _____ (Name) _____ (NRIC/Passport/Co Reg No.)

of _____ (Address)

being a member/members of Koh Brothers Group Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of shareholdings (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Dunearn Ballroom, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Thursday, 20 April 2017 at 2.00 pm and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with a "✓" in the spaces whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
Ordinary Business			
1	To adopt the directors' statement, audited financial statements and auditor's reports		
2	To declare a final dividend		
3	To re-elect Mr Koh Tiat Meng		
4	To re-elect Mr Koh Teat Huat		
5	To re-elect Mr Lai Mun Onn		
6	To re-elect Mr Lee Sok Khian John		
7	To re-elect Mr Ow Yong Thian Soo		
8	To approve directors' fees		
9	To re-appoint PricewaterhouseCoopers LLP as auditor and to authorise the directors to fix its remuneration		
Special Business			
10	To approve the proposed renewal of the Share Issue Mandate		
11	To approve the proposed renewal of the Share Purchase Mandate		
No. Special Resolution			
12	To approve the proposed adoption of the new Constitution		

Total number of
shares held

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

Date

(Please read notes overleaf before completing this form.)

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than 2 proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than 1 proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

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

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attn: The Company Secretary) not less than 48 hours before the time appointed for holding the Annual General Meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.
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 seal or under the hand of an officer or attorney duly authorised. 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.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with its constitution and Section 179 of the Companies Act, Chapter 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his 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.



Building Cities Building Dreams

Koh Brothers Group Limited
(Unique Entity Number: 199400775D)
(Incorporated in Singapore)

11 Lorong Pendek
Koh Brothers Building
Singapore 348639
• Tel: (65) 6289 8889 • Fax: (65) 6841 5400
www.kohbrothers.com

APPENDIX DATED 28 MARCH 2017

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares in the capital of Koh Brothers Group Limited (the “**Company**”), you should immediately forward this Appendix, the Annual Report, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)
(Incorporated in Singapore)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

(I) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

AND

(II) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

The purpose of this Appendix is to provide information and explain to shareholders of the Company the rationale for the proposed renewal of the Share Purchase Mandate to be tabled at the Company's 23rd Annual General Meeting (the “**23rd AGM**”) to be held on 20 April 2017 (Thursday) at 2.00 pm at Dunearn Ballroom, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753.

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

“2016 AGM”	:	The annual general meeting of the Company held on 27 April 2016 during which the Shareholders approved the renewal of the Share Purchase Mandate
“23 rd AGM”	:	AGM of the Company to be held on 20 April 2017
“AGM”	:	Annual General Meeting of the Company
“Amendment Act”	:	Has the meaning ascribed to it in Section 3.1
“Appendix”	:	This Appendix dated 28 March 2017 in relation to the proposed renewal of the Share Purchase Mandate and the proposed adoption of the New Constitution
“Articles”	:	The articles of association of the Company
“Auditor”	:	The auditor for the time being of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company” or “Koh Brothers”	:	Koh Brothers Group Limited
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“Existing Constitution”	:	Has the meaning ascribed to it in Section 3.2
“financial year”	:	The period of 12 months commencing on the 1 st of January each year and ending on the 31 st of December the same year
“FY2016”	:	Financial year ended 31 December 2016
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	9 March 2017, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“New Constitution”	:	Has the meaning ascribed to it in Section 3.2
“PDPA”	:	Personal Data Protection Act 2012

DEFINITIONS

“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
“Shares”	:	Ordinary shares in the capital of the Company
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with Shares
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“S\$” or “\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)

(Incorporated in Singapore)

Board of Directors

Koh Tiat Meng (*Executive Chairman*)

Koh Teak Huat (*Executive Deputy Chairman*)

Koh Keng Siang (*Managing Director and Group Chief Executive Officer*)

Koh Keng Hiong (*Executive Director and Deputy Chief Executive Officer (Real Estate and Leisure & Hospitality divisions)*)

Quek Chee Nee (*Non-Executive Director and Non-Independent Director*)

Lee Sok Khian John (*Non-Executive and Non-Independent Director*)

Lee Bee Wah (*Lead Independent Director*)

Ling Teck Luke (*Independent Director*)

Lai Mun Onn (*Independent Director*)

Gn Hiang Meng (*Independent Director*)

Ow Yong Thian Soo (*Independent Director*)

Registered Office

11 Lorong Pendek
Koh Brothers Building
Singapore 348639

28 March 2017

To: The Shareholders of **Koh Brothers Group Limited**

Dear Shareholders

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate and the proposed adoption of the New Constitution (collectively, the “**Proposals**”) to be tabled at the 23rd AGM, and to seek Shareholders’ approval at the 23rd AGM for the same.

This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Shareholders had on 27 April 2016 approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitation on, the Share Purchase Mandate were set out in the appendix to Shareholders dated 12 April 2016.

The existing Share Purchase Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2016 AGM and will expire on the date of the forthcoming AGM to be held on 20 April 2017. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 23rd AGM.

LETTER TO SHAREHOLDERS

2.2 Shares Purchased or Acquired during the Previous 12 Months

Pursuant to the Share Purchase Mandate approved by the Shareholders at the 2016 AGM, in the 12 months immediately preceding the Latest Practicable Date, the Company had bought back by way of a market acquisition a total number of 1,419,000 Shares. The highest price paid per Share was S\$0.290 and the lowest price paid per Share was S\$0.270 per Share and the total consideration paid was S\$402,071.84 (inclusive of brokerage, clearing fees, etc).

All Shares purchased or acquired by the Company during the above-stated period were held as treasury shares.

2.3 Rationale

The renewal of the Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the earnings per share and/or net asset value per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

2.4 Terms of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate (if renewed at the 23rd AGM), are substantially the same as those previously approved by Shareholders at the 2016 AGM and are summarised below:

2.4.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company shall not exceed 10% of the total number of Shares (excluding any Shares which are held as treasury shares) in issue as at the date of the 23rd AGM held at which the renewal of the Share Purchase Mandate is approved.

2.4.2 *Duration of Authority*

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 23rd AGM at which the renewal of the Share Purchase Mandate is approved up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held; or
- (b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

LETTER TO SHAREHOLDERS

2.4.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share purchases;
- (d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (f) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

2.4.4 *Maximum Purchase Price*

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

("**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the purposes of this Appendix:

"**Average Closing Price**" means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.5 **Status of Purchased or Acquired Shares: Held in Treasury or Cancelled**

Any Share purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act.

2.5.1 *Treasury Shares*

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain of the provisions on treasury shares under the Companies Act are summarised below:

- (a) Maximum Holding: The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded.
- (b) Voting and Other Rights: The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

LETTER TO SHAREHOLDERS

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) Disposal or Cancellation: Where Shares are held as treasury shares, the Company may at any time:
- (i) sell the treasury shares (or any of them) for cash;
 - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
 - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancel the treasury shares (or any of them); or
 - (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares, (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used, (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (v) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5.2 ***Purchased or Acquired Shares Cancelled***

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

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2.6 Source of Funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources, or external borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial accounts of the Company and the Group for FY2016, are based on the assumptions set out below.

2.7.1 *Purchase or Acquisition of Shares made out of Capital or Profits*

Where the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced. Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares will correspondingly reduce the profits available for distribution as dividends by the Company.

Based on the audited accounts of the Company for FY2016, the Company had retained profits of about S\$56,731,000 as at 31 December 2016. Accordingly, in respect of the Share Purchase Mandate sought at the 23rd AGM, it is expected that any purchase or acquisition of Shares will be made out of capital and not out of profits.

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For the purposes of Section 2.7 of this Appendix, the purchase price paid by the Company for the Shares does not include any expenses (including brokerage or commission) incurred in such purchase or acquisition of the Shares.

2.7.2 Number of, and Maximum Price paid for, Shares Purchased or Acquired

Based on 438,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and disregarding 24,486,000 Shares that are held by the Company as treasury shares on or prior to the Latest Practicable Date, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares will result in the purchase or acquisition by the Company of up to 41,351,400 Shares.

The financial effects of the purchase or acquisition of Shares by the Company set out in this Section are on the basis of the purchase or acquisition of 41,351,400 Shares (rounded down to the nearest 100 Shares) made entirely out of the capital of the Company.

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 41,351,400 Shares at the Maximum Price of S\$0.300 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date (rounded down to the nearest S\$0.005)), the maximum amount of funds required for the purchase or acquisition of 41,351,400 Shares is approximately S\$12.41 million.

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 41,351,400 Shares at the Maximum Price of S\$0.340 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 41,351,400 Shares is approximately S\$14.06 million.

2.7.3 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2016, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from internal resources, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A to D are as set out in the tables below:

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(1) Market Purchases¹

As at 31 December 2016 (audited)	GROUP				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	13,315	13,315	13,315	13,315	13,315
Share capital	36,981	36,981	36,981	36,981	24,576
Capital and other reserve	1,203	1,203	1,203	1,203	1,203
Retained profits	243,087	243,087	243,087	230,682	243,087
Currency translation reserve	(9,361)	(9,361)	(9,361)	(9,361)	(9,361)
Treasury shares	(7,614)	(20,019)	(20,019)	(7,614)	(7,614)
Shareholders' funds	264,296	251,891	251,891	251,891	251,891
NAV ⁽¹⁾	264,296	251,891	251,891	251,891	251,891
Current assets	318,383	305,978	305,978	305,978	305,978
Current liabilities	(212,895)	(212,895)	(212,895)	(212,895)	(212,895)
Net current assets	105,488	93,083	93,083	93,083	93,083
Total borrowings	139,942	139,942	139,942	139,942	139,942
Cash & cash equivalents	43,227	30,822	30,822	30,822	30,822
Number of Shares (in '000)	413,680	372,329	372,329	372,329	372,329
Treasury shares (in '000)	24,320	65,671	65,671	24,320	24,320
Weighted Average Number of shares (in '000)	414,467	373,116	373,116	373,116	373,116
Financial Ratios					
EPS – cents	3.21	3.57	3.57	3.57	3.57
NAV per Share – cents ⁽²⁾	63.89	67.65	67.65	67.65	67.65
Gearing ratio (times) ⁽³⁾	0.37	0.43	0.43	0.43	0.43
Current ratio (times) ⁽⁴⁾	1.50	1.44	1.44	1.44	1.44

Notes:

- (1) NAV equals to total assets less total liabilities and exclude non-controlling interests.
- (2) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (3) Gearing ratio means total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio means current assets divided by current liabilities.

¹ This is computed based on 413,514,000 Shares in issue as at the Latest Practicable Date (this is based on 438,000,000 Shares in issue as at the Latest Practicable Date and disregarding 24,486,000 Shares held in treasury as at the Latest Practicable Date).

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As at 31 December 2016 (audited)	COMPANY				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	2,458	2,458	2,458	2,458	2,458
Share capital	36,981	36,981	36,981	36,981	24,576
Retained profits	56,731	56,731	56,731	44,326	56,731
Treasury shares	(7,614)	(20,019)	(20,019)	(7,614)	(7,614)
Shareholders' funds	86,098	73,693	73,693	73,693	73,693
NAV ⁽¹⁾	86,098	73,693	73,693	73,693	73,693
Current assets ⁽²⁾	57,656	57,656	57,656	57,656	57,656
Current liabilities ⁽²⁾	(26,310)	(38,715)	(38,715)	(38,715)	(38,715)
Net current assets/(liabilities) ⁽²⁾	31,346	18,941	18,941	18,941	18,941
Total borrowings	50,000	50,000	50,000	50,000	50,000
Cash & cash equivalents	134	134	134	134	134
Number of Shares (in '000)	413,680	372,329	372,329	372,329	372,329
Treasury shares (in '000)	24,320	65,671	65,671	24,320	24,320
Weighted Average Number of shares (in '000)	414,467	373,116	373,116	373,116	373,116
Financial Ratios					
EPS – cent	0.59	0.66	0.66	0.66	0.66
NAV per Share – cents ⁽³⁾	20.81	19.79	19.79	19.79	19.79
Gearing ratio (times) ⁽⁴⁾	0.58	0.68	0.68	0.68	0.68
Current ratio (times) ⁽⁵⁾	2.19	1.49	1.49	1.49	1.49

Notes:

- (1) NAV equals to total assets less total liabilities and exclude non-controlling interests.
- (2) As at 31 December 2016, the Company has approximately S\$57.66 million of current assets, out of which S\$0.13 million is in the form of cash and bank balances. The Company also has current liabilities of approximately S\$26.31 million as at 31 December 2016, out of which S\$25.69 million are amounts due to subsidiaries. The Group on a consolidation basis has S\$43.23 million of cash and bank balances as at 31 December 2016. The Directors believe that the Company will be able to use the Group's internal financial resources to carry out purchases or acquisitions under the Share Purchase Mandate, after taking into account the prevailing market conditions, the financial position of the Group and other relevant factor.
- (3) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Gearing ratio means total borrowings less cash and cash equivalents divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

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- (a) Scenario A: Market Purchases of 41,351,400 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.65 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Market Purchases of 41,351,400 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.65 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Market Purchases of 41,351,400 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.65 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Market Purchases of 41,351,400 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.65 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

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(2) Off-Market Purchases²

<u>As at 31 December 2016 (audited)</u>	GROUP				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	13,315	13,315	13,315	13,315	13,315
Share capital	36,981	36,981	36,981	36,981	22,922
Capital and other reserve	1,203	1,203	1,203	1,203	1,203
Retained profits	243,087	243,087	243,087	229,028	243,087
Currency translation reserve	(9,361)	(9,361)	(9,361)	(9,361)	(9,361)
Treasury shares	(7,614)	(21,673)	(21,673)	(7,614)	(7,614)
Shareholders' funds	264,296	250,237	250,237	250,237	250,237
NAV ⁽¹⁾	264,296	250,237	250,237	250,237	250,237
Current assets	318,383	304,324	304,324	304,324	304,324
Current liabilities	(212,895)	(212,895)	(212,895)	(212,895)	(212,895)
Net current assets	105,488	91,429	91,429	91,429	91,429
Total borrowings	139,942	139,942	139,942	139,942	139,942
Cash & cash equivalents	43,227	29,168	29,168	29,168	29,168
Number of Shares (in '000)	413,680	372,329	372,329	372,329	372,329
Treasury shares (in '000)	24,320	65,671	65,671	24,320	24,320
Weighted Average Number of shares (in '000)	414,467	373,116	373,116	373,116	373,116
Financial Ratios					
EPS – cents	3.21	3.57	3.57	3.57	3.57
NAV per Share – cents ⁽²⁾	63.89	67.21	67.21	67.21	67.21
Gearing ratio (times) ⁽³⁾	0.37	0.44	0.44	0.44	0.44
Current ratio (times) ⁽⁴⁾	1.50	1.43	1.43	1.43	1.43

Notes:

- (1) NAV equals to total assets less total liabilities and exclude non-controlling interests.
- (2) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (3) Gearing ratio means total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio means current assets divided by current liabilities.

² This is computed based on 413,514,000 Shares in issue as at the Latest Practicable Date (this is based on 438,000,000 Shares in issue as at the Latest Practicable Date and disregarding 24,486,000 Shares held in treasury as at the Latest Practicable Date)

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As at 31 December 2016 (audited)	COMPANY				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	2,458	2,458	2,458	2,458	2,458
Share capital	36,981	36,981	36,981	36,981	22,922
Retained profits	56,731	56,731	56,731	42,672	56,731
Treasury shares	(7,614)	(21,673)	(21,673)	(7,614)	(7,614)
Shareholders' funds	86,098	72,039	72,039	72,039	72,039
NAV ⁽¹⁾	86,098	72,039	72,039	72,039	72,039
Current assets ⁽²⁾	57,656	57,656	57,656	57,656	57,656
Current liabilities ⁽²⁾	(26,310)	(40,369)	(40,369)	(40,369)	(40,369)
Net current assets/(liabilities) ⁽²⁾	31,346	17,287	17,287	17,287	17,287
Total borrowings	50,000	50,000	50,000	50,000	50,000
Cash & cash equivalents	134	134	134	134	134
Number of Shares (in '000)	413,680	372,329	372,329	372,329	372,329
Treasury shares (in '000)	24,320	65,671	65,671	24,320	24,320
Weighted Average Number of shares (in '000)	414,467	373,116	373,116	373,116	373,116
Financial Ratios					
EPS – cents	0.59	0.66	0.66	0.66	0.66
NAV per Share – cents ⁽³⁾	20.81	19.35	19.35	19.35	19.35
Gearing ratio (times) ⁽⁴⁾	0.58	0.69	0.69	0.69	0.69
Current ratio (times) ⁽⁵⁾	2.19	1.43	1.43	1.43	1.43

Notes:

- (1) NAV equals to total assets less total liabilities and exclude non-controlling interests.
- (2) As at 31 December 2016, the Company has approximately S\$57.66 million of current assets, out of which S\$0.13 million is in the form of cash and bank balances. The Company also has current liabilities of approximately S\$26.31 million as at 31 December 2016, out of which S\$25.69 million are amounts due to subsidiaries. The Group on a consolidation basis has S\$43.23 million of cash and bank balances as 31 December 2016. The Directors believe that the Company will be able to use the Group's internal financial resources to carry out purchases or acquisitions under the Share Purchase Mandate, after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.
- (3) Based on the number of Shares issued as the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Gearing ratio means total borrowings less cash and cash equivalents divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

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- (a) Scenario A: Off-Market Purchases of 41,351,400 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as 31 December 2016 will increase from 63.89 cents to 67.21 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Off-Market Purchases of 41,351,400 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as 31 December 2016 will increase from 63.89 cents to 67.21 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Off-Market Purchases of 41,351,400 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.21 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Off-Market Purchases of 41,351,400 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2016 will increase from 63.89 cents to 67.21 cents.

Assuming that the purchase of Shares had taken place on 1 January 2016, the consolidated basic EPS of the Group for FY2016 would be increased from 3.21 cents to 3.57 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

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Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Directors would emphasise that they do not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Manual

2.9.1 *No Purchases during Price Sensitive Developments*

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the board of directors of the Company until the price sensitive information has been publicly announced.

In particular, in-line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's annual results and during the period of two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year.

2.9.2 *Listing Status of the Shares*

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 181,325,889 Shares, representing approximately 43.85% of the total number of issued Shares (less treasury shares), held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares (less treasury shares) from public Shareholders, based on information available as at the Latest Practicable Date, the percentage of the Company's public float would be reduced to approximately 37.61% of the total number of Shares in issue (less treasury shares). Accordingly, based on information available as at the Latest Practicable Date, the Directors are of the view that, at present, there is a sufficient number of Shares in issue (less treasury shares) held by public Shareholders that would permit the Company

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to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

2.9.3 **Reporting Requirements**

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares) after the purchase and the number of treasury shares held after the purchase.

2.10 **Certain Take-over Code implications arising from the Proposed Share Purchase Mandate**

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below.

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes *inter alia*, the following individuals and companies to be acting in concert with each other: (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (b) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

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Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

2.10.1 *Shareholding Interests of Directors*

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no further Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and are held by the Company as treasury shares on or prior to the Latest Practicable Date, will be as follows:

Name of Director	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Koh Tiat Meng ⁽¹⁾	61,308,654	Nil	61,308,654	14.83	16.47
Koh Teak Huat ⁽¹⁾	32,213,088	325,000 ⁽³⁾	32,538,088	7.87	8.74
Koh Keng Siang ⁽²⁾	62,422,535	27,420,000 ⁽⁴⁾	89,842,535	21.72	24.14
Koh Keng Hiong ⁽²⁾	30,260,100	25,010,000 ⁽⁵⁾	55,270,100	13.37	14.85
Quek Chee Nee	25,896,814	Nil	25,896,814	6.26	6.96
Lee Sok Khian John	Nil	Nil	Nil	Nil	Nil
Lee Bee Wah	Nil	Nil	Nil	Nil	Nil
Ling Teck Luke	200,000	Nil	200,000	0.05	0.05
Lai Mun Onn	100,000	Nil	100,000	0.02	0.03
Gn Hiang Meng	Nil	200,000	200,000	0.05	0.05
Ow Yong Thian Soo	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr Koh Tiat Meng and Mr Koh Teak Huat are brothers.
- (2) Mr Koh Keng Siang and Mr Koh Keng Hiong are the sons of Mr Koh Tiat Meng and Mdm Quek Chee Nee, and the nephews of Mr Koh Teak Huat.
- (3) Mr Koh Teak Huat is deemed interested in the Shares held by his spouse, Mdm Quek Siew Lang.
- (4) Mr Koh Keng Siang is deemed interested in (i) 20,000 Shares held by his spouse, Mdm Phua Siew Gaik, and (ii) 27,400,000 Shares pursuant to the deed of settlement dated 12 January 2007 executed by Mr Koh Tiat Meng and the CDP Form 4.2 executed by Mr Koh Tiat Meng.
- (5) Mr Koh Keng Hiong is deemed interested in (i) 10,000 Shares held by his spouse, Mdm Erliana Sutadi, and (ii) 25,000,000 Shares pursuant to the deed of settlement dated 12 January 2007 executed by Mr Koh Tiat Meng and the CDP Form 4.2 executed by Mr Koh Tiat Meng.

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2.10.2 *Shareholding Interests of Substantial Shareholders*

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the substantial shareholders of the Company (“**Substantial Shareholders**”) in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no further Shares (other than the Shares already purchased or acquired by the Company) are purchased or acquired and held by the Company as treasury shares on or prior to the Latest Practicable Date, will be as follows:

Name of Substantial Shareholder	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Koh Tiat Meng	61,308,654	Nil	61,308,654	14.83	16.47
Koh Teak Huat	32,213,088	325,000 ⁽¹⁾	32,538,088	7.87	8.74
Koh Keng Siang	62,422,535	27,420,000 ⁽²⁾	89,842,535	21.72	24.14
Koh Keng Hiong	30,260,100	25,010,000 ⁽³⁾	55,270,100	13.37	14.85
Quek Chee Nee	25,896,814	Nil	25,896,814	6.26	6.96

Notes:

- (1) Mr Koh Teak Huat is deemed interested in the Shares held by his spouse, Mdm Quek Siew Lang.
- (2) Mr Koh Keng Siang is deemed interested in (i) 20,000 Shares held by his spouse, Mdm Phua Siew Gaik, and (ii) 27,400,000 Shares pursuant to the deed of settlement dated 12 January 2007 executed by Mr Koh Tiat Meng and the CDP Form 4.2 executed by Mr Koh Tiat Meng.
- (3) Mr Koh Keng Hiong is deemed interested in (i) 10,000 Shares held by his spouse, Mdm Erliana Sutadi, and (ii) 25,000,000 Shares pursuant to the deed of settlement dated 12 January 2007 executed by Mr Koh Tiat Meng and the CDP Form 4.2 executed by Mr Koh Tiat Meng.

2.10.3 *Consequences of Share Purchases or Acquisitions by the Company*

The aggregate shareholdings and voting rights of Mr Koh Tiat Meng, Mr Koh Teak Huat, Mr Koh Keng Siang, Mr Koh Keng Hiong, Mdm Quek Chee Nee and Mr Koh Tiak Chye (a brother of Koh Mr Tiat Meng and Mr Koh Teak Huat) and their concert party(ies) in the Company is approximately 56.01% (excluding treasury shares) as at the Latest Practicable Date.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholders or Directors who would become obliged to make a mandatory general offer to all Shareholders under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company purchases or acquires the maximum 41,363,000 Shares (being 10% of the total number of issued Shares as at the Latest Practicable Date) (rounded to the nearest whole Share) pursuant to the Share Purchase Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

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3. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

3.1 Companies (Amendment) Act 2014

The Companies (Amendment) Act 2014 (the “**Amendment Act**”), which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act. The changes are aimed at reducing the regulatory burden on companies, providing greater business flexibility and improving the corporate governance landscape in Singapore. The key changes include the introduction of a multiple proxies regime to enfranchise indirect investors and Central Provident Fund investors, provisions to facilitate the electronic transmission of notices and documents on Shareholders (subject to the listing rules being amended to allow such electronic transmission of notices and documents), and the merging of the memorandum and articles of association of a company into one document called the “constitution”.

3.2 New Constitution

Pursuant to the new Section 4(13) of the Companies Act (as amended by the Amendment Act), the memorandum and articles of association of the Company that were in force immediately before 3 January 2016 are collectively deemed to constitute, and have effect as, the constitution of the Company with effect from 3 January 2016 (the “**Existing Constitution**”).

Instead of making alterations throughout the Existing Constitution in order to update and streamline its provisions generally and to be in line with the changes to the regulatory framework, the Company is proposing to adopt a new constitution (the “**New Constitution**”) in place of the Existing Constitution. The proposed New Constitution also contains updated provisions which are consistent with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual. In addition, the Company is taking the opportunity to simplify the existing objects clauses provision (which currently sets out an extensive list of the activities which the Company has capacity or power to engage in) in line with Section 23 of the Companies Act, and include provisions in the New Constitution to address the personal data protection regime in Singapore, and also to streamline and rationalise certain other provisions.

3.3 Summary of Principal Provisions

The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, and should be read in conjunction with the New Constitution which is set out in its entirety in Annex 2 to this Appendix. Numbered regulations referred to in the following summary pertain to relevant provisions of the New Constitution, unless otherwise stated.

3.3.1 Companies Act

The following regulations include provisions which are in line with the Companies Act, as amended pursuant to the Amendment Act:

- (a) **Regulation 1 (Article 2 of Existing Constitution)**. Regulation 1, which is the interpretation section of the New Constitution, includes the following new and/or updated provisions:
 - (i) an updated definition of “in writing” to make it clear that this expression includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;

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- (ii) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
 - (iii) a new provision stating that the expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the SFA. This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the SFA pursuant to the Amendment Act; and
 - (iv) a new provision stating that the expressions “current address”, “electronic communications” and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act.
- (b) **New Regulation 4.** The objects clauses contained in the Existing Constitution are proposed to be deleted and substituted with regulation 4 in the New Constitution. The new regulation 4 is a general provision which provides that the Company has:
- (i) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (ii) for these purposes, full rights, powers and privileges.

This is in line with Section 23 of the Companies Act, which provides that a company has full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, subject to the law and to the provisions of its constitution.

By deleting the existing objects clauses (which set out an extensive list of the activities which the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by Section 23 of the Companies Act, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction. This will facilitate the Company in adapting to the rapidly changing business environment, and to undertake various business activities and enter into business transactions for the benefit of the Company and its Shareholders. The proposed change will also remove any uncertainty as to whether the Company has the power to act in a particular way or to engage in a particular transaction arising from unduly restrictive provisions in the specific objects clauses.

Notwithstanding the foregoing, pursuant to Rule 104 of the Listing Manual, the SGX-ST reserves the right to subject the Company's change in principal business to the SGX-ST's approval if, in the SGX-ST's opinion:

- (i) the integrity of the market may be adversely affected; or
 - (ii) it is in the interests of the public to do so.
- (c) **New Regulation 7(2).** Regulation 7(2) is a new provision which provides that new shares may be issued for no consideration. This is in line with the new Section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (d) **Regulation 21 (Article 19 of Existing Constitution).** The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in regulation 21, which relates to share certificates. A share certificate

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need only state, *inter alia*, the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to Section 123(2) of the Companies Act pursuant to the Amendment Act.

- (e) **Regulation 71 (Article 62 of Existing Constitution).** Regulation 71 which relates to the Company's power to alter its share capital, has new provisions which:
 - (i) empower the Company, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with the new Section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
 - (ii) empower the Company, by special resolution, to convert one class of shares into another class of shares. This is in line with the new Section 74A of the Companies Act, which sets out the procedure for such conversions.
- (f) **Regulation 78 (Article 77 of Existing Constitution).** Regulation 78, which relates to the routine business that is transacted at an AGM, includes updates which:
 - (i) substitute the reference to "accounts" with "financial statements", and the reference to "reports of the Directors and Auditors" with "Directors' statement" and "Auditor's report", for consistency with the updated terminology in the Companies Act; and
 - (ii) clarify the types of Directors' remuneration which will be subject to approval by Shareholders as routine business.
- (g) **Regulation 84(2) (Article 82 of Existing Constitution).** Regulation 84(2), which relates to the method of voting at a general meeting where mandatory polling is not required, contains reduced thresholds for the eligibility to demand a poll of 5% (previously one-tenth) of the total voting rights of the members having the right to vote at the meeting, and 5% (previously 10%) of the total sum paid up on all the shares conferring that right. This is in line with Section 178 of the Companies Act, as amended pursuant to the Amendment Act.
- (h) **Regulations 90(2), 90(3), 94, and 96(1) (Articles 88, 96 and 95 of Existing Constitution).** Regulations 90(2), 90(3), 94 and 96(1), which relate to the voting rights of Shareholders and the appointment and deposit of proxies, contain new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows "relevant intermediaries", such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
 - (i) regulation 90(2) provides that in the case of a Shareholder who is a "relevant intermediary" and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with the new Section 181(1D) of the Companies Act;
 - (ii) regulation 94(1) provides that save as otherwise provided in the Companies Act, a Shareholder who is a "relevant intermediary" may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with the new Section 181(1C) of the Companies Act;

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- (iii) regulation 94(2) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in regulations 90(3) and 94(2) to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new the Section 81SJ(4) of the SFA; and
- (iv) regulation 96(1) provides that the cut-off time for the deposit of proxies will be 72 (previously 48) hours before the time appointed for holding the general meeting. This is in line with Section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (i) **Regulation 105(2) (Article 107 of Existing Constitution).** Regulation 105(2), which relates to the declaration of conflicts of interests, provides that every Director and the chief executive officer of the Company (“CEO”) must observe the provisions of Section 156 of the Companies Act relating to the disclosure of the interests of the Directors and CEO in contracts or proposed contracts with the Company or of any office or property held by him which might create duties or interests in conflict with his duties as a Director or CEO. The extension of regulation 105(2) to apply to the CEO is in line with Section 156 of the Companies Act, as amended pursuant to the Amendment Act.
- (j) **Regulation 108 (Article 106 of Existing Constitution).** Regulation 108, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.
- (k) **Regulation 114 (Article 119 of Existing Constitution).** Regulation 114, which relates to the Directors’ power to fill casual vacancies and to appoint additional Directors, provides that the Company may also do so by Ordinary Resolution. This is in line with the new Section 149B of the Companies Act, which provides that unless the constitution otherwise provides, a company may appoint a director by ordinary resolution passed at a general meeting.
- (l) **Regulation 119 (Article 117 of Existing Constitution).** Regulation 119, which relates to the general powers of the Directors to manage the Company’s business, clarifies that the business and affairs of the Company are to be managed by, or under the direction of or, additionally, under the supervision of, the Directors. This is in line with Section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (m) **Regulations 153, 173, and 174 (Articles 155, 156 and 157 of Existing Constitution).** Regulation 174, which relates to the sending of the Company’s financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with the new Section 203(2) of the Companies Act, as amended pursuant to the Amendment Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting. The requirement to send these documents to debenture holders has also been removed in regulation 174.

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The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in regulations 10, 78, 153, 173, 174 and 180 with references, or additional references, to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act. This is in line with the new Section 201 of the Companies Act, as amended pursuant to the Amendment Act.

- (n) **Regulations 179 and 180 (Articles 162, 164, 165, 166 and 168 of Existing Constitution).** Regulations 179 and 180, which relate to the service of notices and documents to Shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the new Section 387C of the Companies Act (taking into account also the proposed changes to Section 387C of the Companies Act under the Companies (Amendment) Bill 2017 which was passed in Parliament on 10 March 2017).

Under the new Section 387C of the Companies Act, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the member was by notice in writing given an opportunity to elect, within such period of time specified in the notice, whether to receive the notice or document by way of electronic communications or as a physical copy, and the member failed to make an election within the time so specified. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under the new regulation 89C of the Companies Regulations.

The new Section 387C of the Companies Act was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance ("MOF"). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

In particular:

- (i) Regulation 180(1) provides that notices and documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or by making it available on a website;
- (ii) Regulation 180(2) provides that for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under the new Section 387C); and

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- (iii) Regulation 180(3) provides that notwithstanding sub-paragraph (ii) above, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time (this is the deemed consent regime permitted under the new Section 387C).

Regulation 180(4) additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, under regulation 180(5), in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders' current addresses (which may be email addresses), and/or (3) by way of advertisement in the daily press, and/or (4) by way of announcement on the SGX-ST.

Under the new regulation 89D of the Companies Regulations, notices or documents relating to takeover offers and rights issues are excluded from the application of Section 387C and therefore cannot be transmitted by electronic means pursuant to Section 387C.

As at the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on (*inter alia*) whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. In its consultation, the SGX-ST had also asked for comments on additional safeguards in relation to the new regimes. Until the outcome of such public consultation is known, the listing rules have not been amended to allow electronic transmission of notices and documents under the new regimes. There is no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as the Company is listed on the SGX-ST, the Company will not make use of the new regimes to transmit notices or documents electronically to Shareholders unless the SGX-ST's listing rules allow it, and the Company will comply with the SGX-ST's listing rules on the subject.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions (contained in regulation 180) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it. However, Shareholders should note that if the New Constitution is not adopted, new and/or revised provisions will also not be implemented and consequentially, the Company's Existing Constitution will not be in line with the Companies Act.

- (o) **Regulation 188 (Article 174 of Existing Constitution).** Regulation 188, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties unless the same shall happen through his own negligence, default, breach of duty or breach of trust. This is in line with the new Sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

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3.3.2 Listing Manual

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following regulations have been updated to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

- (a) **Regulation 7(1).** Regulation 7(1) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.
- (b) **Regulation 75 (Article 73 of Existing Constitution).** Regulation 75, which relates to notice of general meetings, clarifies that the requirement for at least 14 days' notice of any general meeting to be given by advertisement in the daily press in circulation in Singapore and in writing to any stock exchange upon which shares in the Company may be listed only applies so long as the shares in the Company are listed on any stock exchange. This is in line with paragraph (7) of Appendix 2.2 of the Listing Manual.
- (c) **Regulation 84(1) (Article 82 of Existing Constitution).** Regulation 84(1), which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the stock exchange). These changes are in line with Rule 730A of the Listing Manual which took effect on 1 August 2015 and which requires all resolutions at general meetings to be voted by poll.
- (d) **Regulation 86 (Article 83 of Existing Constitution).** Regulation 86, which relates to conduct of the poll and incidental matters, makes it clear that scrutineers will be appointed, if so required by the listing rules of the SGX-ST. This is in line with Rule 730A(3) of the Listing Manual which took effect on 1 August 2015.
- (e) **Regulations 108 and 112 (Article 106 of Existing Constitution).** Regulation 108, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Regulation 112, which relates to the filling of the office vacated by a retiring Director in certain default events, provides that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 of the Listing Manual which provides that where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board.
- (f) **Regulation 113 (Article 111 of Existing Constitution).** Regulation 113, which relates to the notice of intention to appoint Directors, provides that no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless not less than 11 nor more than 42 clear days, exclusive of the date on which the notice is given, before the meeting, there has been lodged at the registered office notice in writing from a member of his intention to propose such person for election or notice in writing from the person to be proposed giving his consent to the nomination and signifying his candidature for the office. This is in line with paragraph (9)(h) of Appendix 2.2 of the Listing Manual.

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3.3.3 PDPA

In general, under the Personal Data Protection Act 2012, an organization can only collect, use or disclose personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has been made known to the individual. The new regulation 190 specifies, *inter alia*, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

3.3.4 General

The following regulations have been included in the New Constitution, or have been updated, streamlined and rationalised generally:

- (a) **Regulations 29, 91, 97 and 108 (Articles 42, 91, 97 and 106 of Existing Constitution).** These regulations have been updated to substitute the references to insanity, lunatics and persons of unsound mind with references to mental disorder and persons who are mentally disordered and incapable of managing themselves or their affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.
- (b) **Regulation 73 (Article 68 of Existing Constitution).** Regulation 73, which relates to the time-frame for holding AGMs, has been revised to make it clear that an AGM shall be held once in every year within a period of not more than 15 months after the holding of the last preceding AGM, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between AGMs in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year.

In addition, regulation 73, which relates to the location where general meetings of the Company shall be held, has been updated to reflect the requirement of the Listing Manual, that general meetings of the Company shall be held in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation. This update is in line with Rule 730A(1) of the Listing Manual.

- (c) **Regulations 95 and 96 (Articles 94 and 95 of Existing Constitution).** Regulation 95, which relates to the appointment of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, it provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholders' common seal.

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, regulation 96, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

- (d) **Regulation 110 (Article 109 of Existing Constitution).** Regulation 110, which relates to the retirement of Directors by rotation, clarifies that the Directors who are to retire by rotation are to be selected in accordance with regulation 111 and are in addition to any Director retiring pursuant to regulation 114.
- (e) **New Regulation 170.** Regulation 170 is a new provision which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans as well as for the benefit of non-executive Directors as part of their Directors'

LETTER TO SHAREHOLDERS

remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

3.4 ANNEXES 1, 2 AND 3

The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Annex 1 to this Appendix and the main differences are blacklined. The proposed New Constitution is set out in Annex 2 to this Appendix. The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution as described in paragraph 3.3.1(b) above are set out in Annex 3. The proposed adoption of the New Constitution is subject to Shareholders' approval.

4. DIRECTORS' RECOMMENDATIONS

4.1 The Proposed Renewal of the Share Purchase Mandate

The Directors, except for Messrs Koh Tiat Meng, Koh Teak Huat, Koh Keng Siang, Koh Keng Hiong and Quek Chee Nee, are of the opinion that the renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, recommend that Shareholders **vote in favour** of Ordinary Resolution 11 in respect of the Share Purchase Mandate to be renewed at the 23rd AGM.

4.2 The Proposed Adoption of the New Constitution

The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders **vote in favour** of Special Resolution 12 relating to the proposed adoption of the New Constitution to be proposed at the 23rd AGM.

5. ABSTENTION FROM VOTING

Messrs Koh Tiat Meng, Koh Teak Huat, Koh Keng Siang, Koh Keng Hiong and Quek Chee Nee have abstained from making any recommendations on the renewal of the Share Purchase Mandate. Messrs Koh Tiat Meng, Koh Teak Huat, Koh Keng Siang, Koh Keng Hiong and Quek Chee Nee will also abstain from voting on Ordinary Resolution 11 in relation to the proposed renewal of the Share Purchase Mandate in respect of any Shares held by them.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposals and the Group which are relevant to the Proposals and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

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7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Existing Constitution of the Company;
- (b) the proposed New Constitution; and
- (b) the annual report of the Company for the financial year ended 31 December 2016.

Yours faithfully,
For and on behalf of the Board of Directors of
Koh Brothers Group Limited

Koh Keng Siang
Managing Director & Group CEO

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

THE PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION WHICH ARE SIGNIFICANTLY DIFFERENT FROM THE EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

Set out below are the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, with the main differences blacklined.

1. Regulation 1

~~2.1.~~ In these ~~Articles, unless the subject or context otherwise requires this Constitution,~~ the words standing in the first column of the table next hereinafter contained ~~below~~ shall bear the ~~meaning~~ meanings set opposite to them respectively in the second column thereof~~-, if not inconsistent with the subject or context:~~

WORDS	MEANING
account holder	A person who has a securities account directly with GDP and not through a Depository Agent.
'Act'	The Companies Act, Chapter 50, or any statutory modification or re-enactment thereof.
'Alternate Director'	<u>An Alternate Director appointed pursuant to regulation 128.</u>
Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.
'Auditors'	<u>The auditors for the time being in force of the Company.</u>
'capital'	<u>Share capital.</u>
'Company'	<u>Koh Brothers Group Limited, by whatever name from time to time called.</u>
GDP	The Central Depository (Pte) Limited or such other person who for the time being is the Depository for the purposes of Division 7A of the Act and (in each case) where the context so requires, shall include any person specified by it, in a notice given to the Company, as its nominee.
Chairman	The Chairman of the Board of Directors for the time being.
Depositor	A person named as an account holder or a Depository Agent in the Depository Register but does not include a Sub-account holder.
Depository Agent	Has the meaning ascribed thereto in Section 130A of the Act
Depository Register	The register maintained by GDP in respect of the shares in the Company registered in the name of GDP or its nominee

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

WORDS	MEANING
<u>'Constitution'</u>	<u>This constitution, as may be amended from time to time.</u>
<u>'Director'</u>	<u>Includes any person acting as a director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.</u>
<u>'Directors' or 'Board'</u>	<u>The Directors for the time being of the Company <u>as a body or a quorum of the Directors present at a meeting of the Directors.</u></u>
<u>'dividend'</u>	<u>Includes bonus.</u>
<u>'Exchange'</u>	<u>The Stock Exchange of Singapore Exchange Securities Trading Limited and, where applicable, its successors in title.</u>
<u>'in writing'</u>	<u>Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u>
<u>'Market Day'</u>	<u>A day on which the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) is open for the trading of in securities.</u>
<u>'Member', 'holder of any share' or 'shareholder'</u>	<u>(a) where CDP is named in the Register as the holder of shares, a Depositor in respect of the number of shares which stand in credit against his name in the Depository Register; and</u> <u>(b) in any other case, a person whose name appears on the Register as a shareholder.</u> <u>Any registered holder of shares for the time being or if the registered shareholder is the Depository, a Depositor named in the Depository Register (for such period as shares are entered in the Depositor's Securities Account), save that references in this Constitution to a 'Member' shall, where the Act requires, exclude the Company where it is a member by reason of its holding shares as treasury shares.</u>
<u>'month'</u>	<u>Calendar month.</u>
<u>'Office'</u>	<u>The Registered Office for the time being of the Company.</u>
<u>'Paid up'</u>	<u>Includes credited as paid up.</u>

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

WORDS	MEANING
'Register of Members'	The Register of Members maintained by <u>of</u> the Company pursuant to Section 190 of the Act.
'registered address' or 'address'	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
'regulation'	<u>A regulation of this Constitution, as altered or added to from time to time and any reference to a regulation by number is a reference to the regulation of that number in this Constitution.</u>
'Seal'	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
'Secretary'	Any person appointed to perform the duties of The secretary or secretaries for the time being of the Company and includes shall include any person appointed entitled to perform the duties of secretary temporarily and where two or more than one Secretary has been persons are appointed, means any one of such to act as joint secretaries shall include any one of those persons.
'Securities Account'	A The securities account maintained by a Depositor with GDP: a Depository.
'SFA'	<u>The Securities and Futures Act, Chapter 289.</u>
'shares'	<u>Shares in the capital of the Company.</u>
'Singapore'	<u>The Republic of Singapore.</u>
'Statutes'	<u>The Act and every other legislation for the time being in force concerning companies and affecting the Company.</u>
'year'	<u>Calendar year.</u>
Sub-account holder	A holder of an account maintained with a Depository Agent.
'S\$'	<u>The lawful currency of Singapore.</u>
	Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form. The expressions 'Depositor', 'Depository', 'Depository Agent' and 'Depository Register' shall have the meanings ascribed to them respectively in the SFA.
	<u>The expressions 'current address', 'electronic communications', 'financial statements', 'relevant intermediary' and 'treasury shares' shall have the meanings ascribed to them respectively in the Act.</u>
(a)	Words importing denoting the singular number only shall include the plural number, and vice versa.

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

~~Words importing denoting the masculine gender only shall include the feminine and neuter gender. Words denoting persons shall include corporations.~~

~~Words importing persons shall include corporations.~~

~~References to any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such re-enactment.~~

~~References to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall be taken to mean a person named with respect to such shares in the Register and references to a “shareholder” shall be taken to mean a “Member” provided that, except where expressly stipulated, references to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall exclude GDP and “hold”, “holding” and “held” shall, except where the subject or context forbids, be construed accordingly.~~

- ~~(b) The expression ‘clear days’ notice’ shall, for the purposes of calculating the number of days necessary before a notice is served or deemed to be served, be exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given.~~
- ~~(c) Subject Save as aforesaid, any words or expressions defined in the Act shall, except where word or expression used in the Act and the Interpretation Act, Chapter 1 shall, if not inconsistent with the subject or context forbids, bear the same meaning in these Articles this Constitution.~~
- ~~(d) The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles this Constitution.~~
- ~~(e) Any reference in this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.~~
- ~~(f) A Special Resolution shall be effective for any purposes for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.~~

2. Regulation 4

- ~~4. (1) Subject to the provisions of the Act, the listing rules of the Exchange and any other written law and this Constitution, the Company has:
 - ~~(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and~~
 - ~~(b) for these purposes, full rights, powers and privileges.~~~~
- ~~(2) Subject to the provisions of the Act, any branch or kind of business which by this Constitution is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.~~

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

3. Regulation 7

~~7. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.~~

~~(2) The Company may issue shares for which no consideration is payable to it.~~

4. Regulation 21

~~1921. Every certificate of shares~~The certificate of title to shares shall be issued under the Seal in such form as prescribed by the Directors from time to time. Every certificate shall bear the autographic or facsimile signatures of at least two (2) Directors or by one (1) Director and the Secretary or some other person appointed by the Directors, and shall specify in words and figures the distinctive the number and the class of shares in respect of which it is issued, and the amount paid up thereon to which it relates, whether the shares are fully or partly paid up and the amount (if any) unpaid on the shares. The facsimile signatures may be reproduced by mechanical, electrical or other means provided the method or system of reproducing signatures has first been approved by the Directors. No certificate shall be issued representing more than one class of shares.

5. Regulation 29

~~4229. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.~~

~~Nothing in this Article shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.~~

6. Regulation 71

~~6271. (1) The Company may:-~~by Ordinary Resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the shares of Members to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any shares of Members being consolidated with shares of another Member may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company Provided that when the necessary unissued shares are available the Directors may in each case where the number of shares in respect of which any holder or Depositor is a Member is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder or Depositor credited as fully paid up by way of capitalisation the minimum number of shares required to round up his shareholding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such

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~~shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;~~

- ~~(b) subdivide its shares or any of them (subject nevertheless to the provisions of the Statutes and this Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;~~
 - ~~(bc) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its share capital by the amount number of the shares so cancelled; or and~~
 - ~~(e) by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association and so that as between the holders or Depositors of the resulting shares one or more of such shares may by the resolution by which the subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares;~~
 - ~~(d) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.~~
- (2) ~~The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any matter or consent required by law and subject to and in accordance with the Statutes, convert one class of shares into another class of shares.~~

7. Regulation 73

~~6873. In addition to any other meetings, a Save as otherwise permitted under the Act, an annual general meeting shall be held once at least in every calendar year, at such time (within a period of not more than fifteen (15) months after the holding of the last preceding Annual General Meeting (or such other period as may be prescribed from time to time by the provisions of the Act)) and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Company shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.~~

8. Regulation 75

~~7375. Subject to the provisions of the Act relating to the convening of meetings Any general meeting at which it is proposed to pass Special Resolutions and agreements for shorter notice, fourteen clear days' notice at or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) days' notice in writing. The least specifying notice must specify the place, the day, and the hour of the meeting, and in case of special business, the general nature of such business, shall be given. Such notice shall be given in the manner hereinafter mentioned to all Members and each stock exchange (other~~

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~~than the Exchange) upon which the Company is other than those who are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange (and where applicable, to any other securities exchange upon which the shares in the Company are listed). In the case of the Exchange, any notice convening a meeting (other than for the purpose of passing a special resolution) shall be provided to the Exchange at least ten Market Days before such meeting is held (or such other period as may be approved by the Exchange) and a notice convening a meeting to pass a Special Resolution shall be provided to the Exchange at least fifteen Market Days before such meeting is held (or such other period as may be approved by the Exchange). Such a notice or a summary thereof shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen days before such meeting, unless the Directors determine that such publication is impracticable or impossible.~~

~~Subject to the provisions of the Act and the listing rules of the Exchange, notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed:~~

- ~~(a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and~~
- ~~(b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.~~

~~Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.~~

9. Regulation 78

~~7778. All Routine business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is mean and include only business transacted at an annual general meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the of the following classes, that is to say:~~

- ~~(a) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;~~
- ~~(b) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;~~
- ~~(c) fixing of the fees of Directors, the election of Directors in the place of those retiring, the declaration of proposed to be paid under regulation 102(1);~~
- ~~(d) declaring dividends; and the appointment of and the~~
- ~~(e) appointing or re-appointing Auditors and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.~~

~~Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.~~

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10. Regulation 84

~~8284.~~ (1) At every ~~If required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)).~~

~~(2)~~ Subject to regulation 84(1), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless a poll is (before or upon on the declaration of the result of the show of hands a poll be) demanded by:

~~(a)~~ the Chairman of the meeting; or by not less than three

~~(b)~~ at least two (2) Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote at the meeting or by a thereat; or

~~(c)~~ any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting; or by a Member in respect of shares in the Company

~~(d)~~ any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth five per cent (5%) of the total sum paid up on all the shares conferring that right. Unless a poll be

A demand for a poll made pursuant to regulation 84(2) may be withdrawn only with the approval of the Chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is so demanded (and the demand is not withdrawn), a declaration by the Chairman of the meeting that a resolution has been carried; or has been carried unanimously or by a particular majority; or lost; or not carried by a particular majority, shall be conclusive; and an entry to that effect in the minute book of proceedings of the Company shall be conclusive evidence thereof, of the fact without; proof of the number or proportion of the votes recorded in favour of or against such the resolution.

11. Regulation 86

~~8386.~~ If Subject to regulation 87, where a poll is duly demanded taken, it shall be taken in such manner as the Chairman directs, and the results (including the use of ballot or voting papers or tickets) and at such time and place as the Chairman of the meeting may direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand taken. No notice need be given of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairman

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shall determine the same and such determination made in good faith shall be final and conclusive. The Chairman of the meeting may (and, if required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

12. Regulation 90

8890. (1) Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(2) Subject and without prejudice to any rights special privileges or restrictions as to voting for the time being attached to any special class or classes of shares, at a meeting of Members or classes of Members, each Member entitled to vote may vote in person or by proxy. On a show of hands every Member present in person and each proxy shall have one vote and on a poll, every Member present in person or by proxy shall of shares for the time being forming part of the capital of the Company and to regulation 9, every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall:

(a) on a poll, have one (1) vote for each every share in respect of which he is a Member holds or represents; and upon which all calls or other sums due thereon to the Company have been paid

(b) on a show of hands, have one (1) vote. Provided always that:-

(i) where in the case of a Member who is not a relevant intermediary and is represented by one or more proxies, only the first named proxy specified in the relevant instrument of proxy shall be deemed to be authorized two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and the second named proxy shall not be so entitled to vote unless the first named proxy is not present or fails to cast a vote;

(ii) if in the case of a Member is a Depositor the Company shall be entitled on a poll to accept as validly cast by a Depositor votes in respect of such number of shares as is equal to the number of shares appearing who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

(3) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register 48 as at seventy-two (72) hours prior to before the commencement time of the relevant general meeting as certified by GDP the Depository to the Company.

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13. Regulation 91

91. ~~A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show of hands or on a poll, by the his committee, curator bonis, or such other person in the nature of committee or curator bonis appointed by that court, as properly has the management of his estate and any such committee, curator bonis, or other person may, on a poll, vote by proxy or attorney, but no person claiming to vote pursuant to this regulation shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than seventy-two (72) hours before the time for holding the meeting at which he wishes to vote.~~

14. Regulation 94

~~9694. (1) Save as otherwise provided in the Act:~~

- ~~(a) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. A Where such Member appointing's form of proxy appoints more than one (1) proxy shall specify the percentage of shares, the proportion of the shareholding concerned to be represented by each proxy and if no percentage shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy shall be deemed to represent 100 per cent may be treated as representing 100% of the shareholding and the second any subsequent named proxy shall be deemed to be as an alternate to the first named. An instrument appointing a proxy shall be in such form as the Directors may from time to time approve. earlier named; and~~
- ~~(b) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.~~

~~(2) In any case where a Member is a Depositor, the Company shall be entitled (i):~~

- ~~(a) to reject any instrument of proxy executed lodged by a that Depositor if the Depositor's name does not appear he is not shown to have any shares entered against his name in the Depository Register forty-eight as at seventy-two (72) hours prior to before the commencement time of the relevant general meeting as certified by GDP the Depository to the Company; and (ii) for the purpose of a poll, to treat an~~
- ~~(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (i) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy or on behalf of that Depositor.~~

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- ~~(3) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.~~
- ~~(4) A proxy or attorney need not be a Member.~~
- ~~(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.~~

15. Regulation 95

~~9495. (1) The An instrument appointing a proxy shall be in writing under the hand of in any usual or common form or in any other form which the Directors may approve and:~~

~~(a) in the case of an individual, shall be:~~

~~(i) signed by the appointor or of his attorney duly authorised in writing or if the appointor is if the instrument is delivered personally or sent by post; or~~

~~(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and~~

~~(b) in the case of a corporation, shall be:~~

~~(i) either given under its common seal, or under the hand of an official or or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or~~

~~(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication. An instrument of proxy shall not, unless~~

~~The Directors may, for the purposes of regulations 95(1)(a)(ii) and 95(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.~~

~~(2) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised 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 pursuant to regulation 96(1), failing which the instrument may be treated as invalid.~~

~~(3) The Directors may, in their absolute discretion determine otherwise, be required to be witnessed.:~~

~~(a) approve the method and manner for an instrument appointing a proxy to be authorised; and~~

~~(b) designate the procedure for authenticating an instrument appointing a proxy.~~

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as contemplated in regulations 95(1)(a)(ii) and 95(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), regulation 95(1)(a)(i) and/or (as the case maybe) regulation 95(1)(b)(i) shall apply.

- (4) The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy, including authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

16. Regulation 96

9596. (1) The An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or authority shall, if required by law, be duly stamped and deposited at the Office, not less than forty-eight;

(a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting, or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this regulation 96 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in regulation 96(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulation 96(1)(a) shall apply.

17. Regulation 97

97. A vote given in accordance with the terms of an instrument of Unless otherwise directed by the Chairman of the meeting, a vote cast by proxy shall not be valid notwithstanding invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or transfer of the share in respect of authority under which the vote is given appointment was made. Provided always that no notice intimation in writing of the such death, mental disorder or revocation or transfer shall have been received by the Company at the Office at least forty-eight hours before the time fixed for holding the meeting one (1) hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the e time appointed for the taking of the poll at which the vote is cast.

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18. Regulation 105

~~107105.~~ (1) ~~A Director who is in any way~~ Other than the office of auditor, a Director may hold any other office or place of profit in the Company and he or any firm of which he is a member or any company of which he is a Director or shareholder may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company whether as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise howsoever nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the provisions of the Act be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Provided always that he has complied with the requirements of Section 156 of the Act as to disclosure.

(2) Every Director and Chief Executive Officer shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officer in contracts or proposed contracts with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or Chief Executive Officer. Notwithstanding such disclosure, a Director shall not vote in respect of regard to any contract or proposed contract or arrangement with the Company or any other proposal whatsoever in which he has directly or indirectly a personal material interest and if although he shall do so his vote shall not be counted nor save as provided by Article 108 shall he be counted in the be taken into account in ascertaining whether a quorum is present at the meeting, but neither of these prohibitions shall apply to:-

~~(a) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or~~

~~(b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security; or~~

~~(c) any contract by a Director to subscribe for or underwrite shares or debentures of the Company;~~

~~Provided that these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract arrangement or transaction or any particular proposed contract arrangement or transaction by the Company by Ordinary Resolution.~~

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19. Regulation 108

~~106108.~~ The office of a Director shall be vacant if the Director ~~vacated~~ in any of the following events, namely:

- ~~(a)~~ if he is prohibited by law from acting as a Director;
- ~~(ab)~~ if he ceases to be a Director by virtue of any of the provisions of the Act;
- ~~(c)~~ if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- ~~(bd)~~ becomes bankrupt if a bankruptcy order is made against him or if he suspends payments or makes any arrangement or composition with his creditors generally;
- ~~(c)~~ becomes prohibited from being a Director by reason of any order made under the Act;
- ~~(d)~~ becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;
- ~~(e)~~ subject to the provisions of the Act, resigns his office by notice in writing to the Company; if he becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- ~~(f)~~ if he becomes disqualified from acting as a director by virtue of his disqualification or removal or the revocation of his appointment as a director, as the case may be, under any applicable laws;
- ~~(fg)~~ for more than twelve months is absent without permission of the Directors if he absents himself from the meetings of the Directors held during that period and his alternate Director (if any) shall not during such period have attended in his stead; or during a continuous period of six (6) months without special leave of absence from the Board and they pass a resolution that he has by reason of such absence vacated office;
- ~~(gh)~~ if he is removed from office by the Company in general meeting pursuant to this Constitution; and
- ~~(i)~~ if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the provisions of the Act.Board).

20. Regulation 110

~~109110.~~ At the Subject to this Constitution and to the Act, at each annual general meeting of the Company in each year at least one-third of the Directors for the time being (other than the Managing Director), or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, selected in accordance with regulation 111, shall retire from office Provided Always that all Directors (other than the Managing by rotation (in addition to any Director retiring pursuant to regulation 114) shall retire from office at least once in every three years. A retiring Director shall retain office until the close of the meeting at which he retires.

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21. Regulation 112

~~112. The Company at the meeting at which a retiring Director shall be eligible for re-election at the meeting at which he retires. retires under any provision of this Constitution may by Ordinary Resolution fill the vacated office by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected, unless:~~

- ~~(a) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or~~
- ~~(b) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or~~
- ~~(c) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or~~
- ~~(d) the default is due to the moving of a resolution in contravention of Section 150 of the Act.~~

~~The retirement shall not take effect until the conclusion of the meeting (except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost) and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.~~

22. Regulation 113

~~113. A No person who is not a retiring Director shall, other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election to the office of appointment as a Director at any general meeting. If some Member intending to propose him has, at least eleven unless not less than eleven (11) nor more than forty-two (42) clear days (exclusive of the date on which the notice is given) before the date appointed for the meeting, left at the Office there shall have been left at the Office (i) a notice in writing signed by some Member (other than the person to be proposed), duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election or (ii) a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him. Provided always that, in the case of a person recommended by the Directors for election, not less than nine (9) clear days' notice only shall be necessary, and notice of each and every candidature candidate for election to the Board of Directors shall be served on the all Members at least seven clear days prior to the meeting at which the election is to take place.~~

23. Regulation 114

~~114. The Directors shall have power at any time and from time to time, to Company may by Ordinary Resolution appoint any other qualified person as to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed additional Director but the total number of Directors shall not at any time exceed the maximum number (if any) fixed by this Constitution. Without prejudice thereto, the Directors shall have power at any time and from time to time to do so, but any person so appointed by the Directors shall hold office only until the next annual general meeting of the Company; and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.~~

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24. Regulation 119

~~117~~119. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors; who may pay all expenses incurred in setting up and registering the Company, and may exercise all such powers of the Company; as are not by the Act, Statutes or by these Articles, this Constitution required to be exercised by the Company in general meeting; subject, nevertheless, to any regulations of these Articles or to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in a general meeting.

The general powers given by this regulation shall not be limited or restricted by any prior act of the Directors which would have been valid if that regulation had not been made. special authority or power given to the Directors by any other regulation.

25. Regulation 153

~~155~~153. The Directors shall at some date not later than eighteen months after the date of the incorporation of the Company and subsequently once at least in every calendar year at intervals of not more than fifteen months lay before the Members at its Annual General Meeting a profit and loss account and a balance sheet for the period since the preceding Annual General Meeting (or in the case of the first account and balance sheet, since the date of incorporation of the Company) made up to a date not more than six months before the date of the Meeting. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six months. Any Director or the Secretary or any person appointed by the Directors for the purpose, shall have power to authenticate any documents affecting the Constitution of the Company; any resolutions passed by the Company, the Directors or any committee; and any books, records, documents, accounts and financial statements relating to the business of the Company. Such persons shall have the authority to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

26. Regulation 170

170. In addition and without prejudice to the powers provided for by regulations 168 and 169 above, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under regulation 102(1) and/or regulation 102(2) approved by shareholders in general meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

27. Regulation 173

~~156173.~~ A Balance Sheet shall be made out in every year and laid before the Members in General Meeting, made up to a date not more than six months before such Meeting, and shall contain a general summary of the assets and liabilities of the Company arranged under suitable heads. In accordance with the provisions of the Act, the Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. The interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed four months (or such other period as may be permitted by the Act and/or the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)).

28. Regulation 174

~~157174.~~ A copy of every the financial statements and, if required, the balance sheet (including every document required by law to be annexed attached thereto) which is duly audited and which is to be laid before the Members Company in general meeting together with accompanied by a copy of the Auditors' Auditor's report thereon, shall not less than fourteen clear (14) days before the date of the meeting; be sent to every Member of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or this Constitution; Provided always that:

- (a) these documents may, subject to the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), be sent less than fourteen (14) days before the date of the meeting if all persons entitled to receive notices of General meetings of from the Company so agree; and
- (b) this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of any joint holders of any shares in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

29. Regulation 179

~~162179.~~ A Any notice or other document (including a share certificate) may be served by the Company upon a on or delivered to any Member; either personally; or by sending it through the post in a prepaid letter or by telex or facsimile transmission cover addressed to such Member at his registered address as appearing in the Register or of Members or (as the case may be) the Depository Register, as the case may be. Notwithstanding the aforesaid provisions, where the Directors have determined that any or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall not be served to a Member in any country or jurisdiction outside the Republic of Singapore, any Member who is described in the Register or the Depository Register, as the case may be, by an address not within the Republic of Singapore shall be deemed to be duly served with such notice or document when such notice or document is duly posted up in the Office or advertised in a newspaper circulating in Singapore.

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

- ~~164. Any Member described in the Register or the Depository Register, as the case may be, by an address not within the Republic of Singapore who shall from time to time give the Company or GDP, as the case may be, an address within the Republic of Singapore at which notices may be served upon him shall be entitled to have served upon him at such address any notice to which he would be entitled under these Articles.~~
- ~~165. As regards Members who have no address appearing in the Register or the Depository Register, as the case may be, or who have not provided to the Company or GDP, as the case may be, an address within the Republic of Singapore at which notices may be served, a notice posted up in the Office shall be deemed to be duly served on them when such notice is duly posted up in the Office or advertised in a newspaper circulating in Singapore.~~
- ~~166. Any document other than a notice required to be served on a Member, may be served in like manner as a notice may be given to him under these Articles. The signature to any such notice or document (if any) may be written or printed.~~
- ~~168. Any notice or other document, if served or sent by post, shall be deemed to have been served at the time the same is left at the address of the Member in the Register or the Depository Register, as the case may be, if served personally and at the time when the letter containing the same is put into the post if sent by post, (be deemed to be effected at the time when the cover containing the same is posted, and in proving such service or sending delivery, it shall be sufficient to prove that the letter containing the notice or document such cover was properly addressed and put into the post office) and at the same time the same would have reached the Member in the normal course if sent by telex or facsimile transmission, stamped and posted.~~

30. Regulation 180

- ~~180. (1) Without prejudice to the provisions of regulation 179 but subject otherwise to the Act and any regulations made thereunder and (where applicable) only when allowed under the listing rules of the Exchange (and/or any other securities exchange upon which the shares in the Company are listed) relating to electronic communications, any notice or document (including, without limitation, any accounts, balance sheets, financial statements, circulars or reports) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member or officer or Auditor of the Company may be given, sent or served using electronic communications (including by electronic mail or short message service):~~
- ~~(a) to the current address of that person; or~~
- ~~(b) by making it available on a website prescribed by the Company from time to time,~~
- ~~in accordance with the provisions of this Constitution, the Statutes and/or any other applicable regulations or procedures.~~
- ~~(2) For the purposes of regulation 180(1), a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.~~
- ~~(3) Notwithstanding regulation 180(2) above, the Directors may, at their discretion, at any time by notice in writing give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.~~

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

- (4) Where a notice or document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to regulation 180(1)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company, its service provider or agent, to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
 - (b) by making it available on a website pursuant to regulation 180(1)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.
- (5) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to regulation 180(1)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:
- (a) by sending such separate notice to the Member personally or through the post pursuant to regulation 179;
 - (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to regulation 180(1)(a);
 - (c) by way of advertisement in the daily press; and/or
 - (d) by way of announcement on the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).

31. Regulation 188

~~174188.~~ Subject to the extent provisions of and so far as may be permitted by law the Statutes, every Director or, Auditor, Secretary and other officer for the time being of the Company shall be entitled to be indemnified out of the assets of by the Company against all costs, charges, losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto. Without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or otherwise in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

ANNEX 1 – BLACKLINE OF KEY PROVISIONS IN THE NEW CONSTITUTION

32. Regulation 190

190. (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:
- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purposes.
- (2) Any Member who appoints a proxy and/or representative for any general meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents and service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in regulation 190(1)(f) and 190(1)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

ANNEX 2 – NEW CONSTITUTION

THE COMPANIES ACT, CHAPTER 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

of

KOH BROTHERS GROUP LIMITED

(Adopted by Special Resolution passed on 20 April 2017)

INTERPRETATION

1. In this Constitution, the words standing in the first column of the table below shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context: Interpretation

WORDS	MEANING
'Act'	The Companies Act, Chapter 50.
'Alternate Director'	An Alternate Director appointed pursuant to regulation 128.
'Auditors'	The auditors for the time being of the Company.
'capital'	Share capital.
'Company'	Koh Brothers Group Limited, by whatever name from time to time called.
'Constitution'	This constitution, as may be amended from time to time.
'Director'	Includes any person acting as a director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
'Directors' or 'Board'	The Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors.
'dividend'	Includes bonus.
'Exchange'	The Singapore Exchange Securities Trading Limited and, where applicable, its successors in title.

ANNEX 2 – NEW CONSTITUTION

WORDS	MEANING
'in writing'	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
'Market Day'	A day on which the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) is open for trading in securities.
'Member', 'holder of any share' or 'shareholder'	Any registered holder of shares for the time being or if the registered shareholder is the Depository, a Depositor named in the Depository Register (for such period as shares are entered in the Depositor's Securities Account), save that references in this Constitution to a 'Member' shall, where the Act requires, exclude the Company where it is a member by reason of its holding shares as treasury shares.
'month'	Calendar month.
'Office'	The Registered Office for the time being of the Company.
'Paid up'	Includes credited as paid up.
'Register of Members'	The Register of Members of the Company.
'registered address' or 'address'	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
'regulation'	A regulation of this Constitution, as altered or added to from time to time and any reference to a regulation by number is a reference to the regulation of that number in this Constitution.
'Seal'	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
'Secretary'	The secretary or secretaries for the time being of the Company and shall include any person entitled to perform the duties of secretary temporarily and where two or more persons are appointed to act as joint secretaries shall include any one of those persons.

ANNEX 2 – NEW CONSTITUTION

WORDS	MEANING
'Securities Account'	The securities account maintained by a Depositor with a Depository.
'SFA'	The Securities and Futures Act, Chapter 289.
'shares'	Shares in the capital of the Company.
'Singapore'	The Republic of Singapore.
'Statutes'	The Act and every other legislation for the time being in force concerning companies and affecting the Company.
'year'	Calendar year.
'S\$'	The lawful currency of Singapore.

The expressions 'Depositor', 'Depository', 'Depository Agent' and 'Depository Register' shall have the meanings ascribed to them respectively in the SFA.

The expressions 'current address', 'electronic communications', 'financial statements', 'relevant intermediary' and 'treasury shares' shall have the meanings ascribed to them respectively in the Act.

- (a) Words denoting the singular shall include the plural and *vice versa*. Words denoting the masculine gender only shall include the feminine gender. Words denoting persons shall include corporations.
- (b) The expression 'clear days' notice' shall, for the purposes of calculating the number of days necessary before a notice is served or deemed to be served, be exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given.
- (c) Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Chapter 1 shall, if not inconsistent with the subject or context, bear the same meaning in this Constitution.
- (d) The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of this Constitution.
- (e) Any reference in this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.
- (f) A Special Resolution shall be effective for any purposes for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

NAME

2. The name of the Company is "KOH BROTHERS GROUP LIMITED".

Name

ANNEX 2 – NEW CONSTITUTION

LIABILITY OF MEMBERS

3. The liability of the Members is limited. Liability of Members

BUSINESS

4. (1) Subject to the provisions of the Act, the listing rules of the Exchange and any other written law and this Constitution, the Company has: Business or activity
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for these purposes, full rights, powers and privileges.
- (2) Subject to the provisions of the Act, any branch or kind of business which by this Constitution is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

PUBLIC COMPANY

5. The Company is a public company. Public Company

REGISTERED OFFICE

6. The Office shall be at such place in Singapore as the Directors shall from time to time determine. Place of Office

SHARES

7. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. Shares of a class other than ordinary shares
- (2) The Company may issue shares for which no consideration is payable to it. Issue of shares for no consideration

ANNEX 2 – NEW CONSTITUTION

8. Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to regulation 68, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:
- Issue of shares
- (a) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 68(1) with such adaptations as are necessary shall apply; and
- (b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 68(2), shall be subject to the approval of the Company in general meeting.
9. Notwithstanding anything in this Constitution, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under this Constitution.
- Treasury shares
10. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.
- Rights attached to preference shares
- (2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.
- Issue of further preference shares

ANNEX 2 – NEW CONSTITUTION

11. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall *mutatis mutandis* apply,
- Variation of rights of shares
- Provided always that:
- (a) the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and
- (b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.
12. The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.
- Variation of rights of preference shareholders
13. The rights conferred upon the holders of the shares of any class issued with preferred rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.
- Issue of further shares affecting preferred rights
14. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.
- Payment of instalments
15. The Company may pay any expenses (including brokerage or commission) incurred in any issue of shares or purchase or acquisition of shares at such rate or amount and in such manner as the Directors deem fit. Such expenses may be paid in whole or in part in cash or fully or partly paid shares of the Company. The Company may, in addition to, or in lieu of, such commission, in consideration of any person subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit.
- Payment of expenses (including brokerage and commission)

ANNEX 2 – NEW CONSTITUTION

16. Save to the extent permitted by the Act or the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), no part of the funds of the Company shall, directly or indirectly, be employed in the purchase of or subscription for or making of loans upon the security of any shares (or its holding company, if any). The Company shall not, except as authorised by the Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any). Company's shares as security
17. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period (except treasury shares), and, subject to the conditions and restrictions mentioned in Section 78 of the Act, may charge the same to capital as part of the cost of the construction of the works or building or the provision of the plant. Power to charge interest on capital
18. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Company need not recognise trust

SHARE CERTIFICATES

19. Every person whose name is entered as a Member in the Register of Members shall be entitled to receive, within ten (10) Market Days (or such other period as may be approved by the Exchange and where applicable, any other securities exchange upon which the shares in the Company are listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a Member transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Member shall pay a fee not exceeding S\$2/- for each such new certificate or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange and where applicable, any other securities exchange upon which the shares in the Company are listed. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement. Entitlement to share certificate

ANNEX 2 – NEW CONSTITUTION

20. The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with this Constitution *mutatis mutandis*. Retention of certificate
21. The certificate of title to shares shall be issued under the Seal in such form as prescribed by the Directors from time to time. Every certificate shall bear the autographic or facsimile signatures of at least two (2) Directors or by one (1) Director and the Secretary or some other person appointed by the Directors, and shall specify the number and the class of shares to which it relates, whether the shares are fully or partly paid up and the amount (if any) unpaid on the shares. The facsimile signatures may be reproduced by mechanical, electrical or other means provided the method or system of reproducing signatures has first been approved by the Directors. No certificate shall be issued representing more than one class of shares. Form of share certificate
22. (1) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge. Consolidation of share certificates
- (2) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2/- for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Sub-division of share certificates
- (3) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders. Requests by joint holders
23. (1) Subject to the provisions of the Act, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed or replaced on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or on behalf of its/their client(s) as the Directors shall require, and in the case of defacement or wearing out, on delivery of the old certificate and in any case on payment of such sum not exceeding S\$2/- as the Directors may from time to time require. In the case of destruction, loss or theft, the shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft. Issue of replacement certificates
- (2) When any shares under the powers in this Constitution herein contained are transferred and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up. New certificate in place of one not surrendered

ANNEX 2 – NEW CONSTITUTION

JOINT HOLDERS OF SHARES

24. Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- (a) the Company shall not be bound to register more than three (3) persons as the holders of any share, except in the case of executors, trustees or administrators of the estate of a deceased Member;
- (b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;
- (c) on the death of any one (1) of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit;
- (d) any one (1) of such joint holders may give effectual receipts for any dividend or other moneys payable or property distributable to such joint holders on or in respect of the share; and
- (e) only the person whose name stands first in the Register of Members as one (1) of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.
- Joint holders deemed holding as joint tenants
- Limited to 3 joint holders
- Jointly and severally liable
- Survivorship
- Receipts
- Entitlement to delivery of share certificates and notice

TRANSFER OF SHARES

25. Subject to the restrictions of this Constitution and any restrictions imposed by law or the Exchange (or where applicable, any other securities exchange upon which the shares in the Company are listed), any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the form approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), or in any other form acceptable to the Directors, and must be left at the Office (or such other place as the Directors may appoint) for registration, accompanied by the certificate(s) of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares.
- Form of transfer
26. Shares of different classes shall not be comprised in the same instrument of transfer.
- Different classes of shares
27. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof; Provided always that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do.
- Transferor and transferee to execute transfer

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28. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. Retention of transfer
29. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same. Infant, bankrupt or mentally disordered
30. Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Destruction of transfer
- Provided always that:
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this regulation; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.
31. (1) There shall be no restriction on the transfer of fully paid up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. Directors' power to decline to register
- (2) The Directors may decline to recognise any instrument of transfer of shares unless:
- (a) a fee not exceeding S\$2/- (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) as the Directors may from time to time require, is paid to the Company in respect thereof; Payment of fee and deposit of transfer

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- (b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;
 - (c) the instrument of transfer is deposited at the Office (or such other place as the Directors may appoint) and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one (1) class of shares.
32. If the Directors refuse to register a transfer of any shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) give to the transferor and to the transferee notice of their refusal to register as required by the Act. Notice of refusal to register
33. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine; Provided always that it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided always that the Company shall give prior notice of such closure as may be required to the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), stating the period and purpose or purposes for which the closure is to be made. Closure of Register of Members
34. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. Renunciation of allotment
35. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, trustees, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto. Indemnity against wrongful transfer

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TRANSMISSION OF SHARES

36. In the case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors, trustees or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share solely or jointly held by him. Transmission on death
37. In the case of the death of a Member who is a Depositor, the survivors or survivor where the deceased was a joint holder, and the executors, trustees or administrators of the deceased where he was a sole holder and where such executors, trustees or administrators are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him. Transmission on death of Depositor
38. (1) Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of any Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may, upon producing such evidence of title as the Directors shall require, elect either to be registered himself as holder of the share or transfer the share to some other person, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member. Person becoming entitled in certain circumstances may be registered
- (2) If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the share to another person he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by the person from whom the title by transmission is derived. Requirements regarding transmission of shares
- (3) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with. Notice to register to unregistered executors and trustees

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39. Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to regulation 36, 37 or 38 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the Member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered or named in the Depository Register himself or to transfer the share, and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.
- Rights of unregistered persons entitled to a share
40. There shall be paid to the Company in respect of the registration of any probate, letter of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2/-, or such other sum as may be approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) from time to time, as the Directors may from time to time require or prescribe.
- Fees for registration of probate etc.

CALLS ON SHARES

41. The Directors may from time to time, as they think fit, make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares and not by the conditions of the issue and allotment thereof made payable at fixed times; and each Member shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
- Directors may make calls on shares
42. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- Time when new call made
43. If before or on the day appointed for payment thereof, a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at such rate not exceeding eight per cent (8%) per annum as the Directors may determine from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.
- Interest and other late payment costs
44. Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date fixed for payment and, in the case of non-payment, the provisions of this Constitution as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Statutes or of this Constitution shall apply as if such sum were a call duly made and notified as hereby provided.
- Sum due on allotment or other fixed date

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45. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the time of payment of such calls. Power of Directors to differentiate
46. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at a rate agreed between the Member paying such sum and the Directors provided that such rate may not exceed eight per cent (8%) per annum without the sanction of the Company in general meeting. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide. Payment in advance of calls

FORFEITURE OF SHARES

47. If a Member fails to pay the whole or any part of any call or instalment of a call by or on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. Notice requiring payment of unpaid calls
48. The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited. Notice to state time and place of payment
49. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Forfeiture of shares for non-compliance with notice
50. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared. Forfeiture to include all dividends
51. The Directors may accept a surrender of any share liable to be forfeited hereunder. Directors may accept surrender in lieu
52. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. Extinction of forfeited share

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53. Notwithstanding any such forfeiture, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. Directors may allow forfeited share to be redeemed
54. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Directors think fit and at any time before a sale or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, re-allotment or other disposition, the Directors are empowered to or may authorise some other person to transfer the shares to the purchaser. Sale of forfeited shares
55. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. Company may receive consideration of sale
56. If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, trustees, administrators or assignees or as he directs. Application of residue of proceeds of forfeiture
57. A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at the rate of eight per cent (8%) per annum (or such lower rate as the Directors may approve) from the date of the forfeiture or surrender until payment in respect of the shares; but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. The Directors may at their absolute disclosure enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment either wholly or in part. Liabilities of Members whose shares forfeited
58. Notice of any forfeiture shall forthwith be given to the holder of the share forfeited or to the person entitled by transmission to the share forfeited as the case may be. An entry of the forfeiture with the date thereof and the fact of the notice given shall be made in the Register of Members or in the Depository Register (as the case may be) opposite the share. The provisions of this regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid. Notice of forfeiture

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LIEN ON SHARES

59. (1) The Company shall have a first and paramount lien and charge on all the shares not fully paid up in the name of a Member (whether solely or jointly with others) and all dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this regulation. Company's lien
- (2) No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).
60. For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for fourteen (14) days after such notice. To give effect to any such sale or other disposition, the Directors are empowered or may authorise some other person to transfer the shares to the purchaser. Sale of shares subject to lien
61. The net proceeds of any such sale shall be applied in or towards satisfaction of the unpaid calls and accrued interest and expenses due from the Member to the Company in respect of the shares and the residue (if any) shall be paid to the person whose shares have been forfeited or his executors, trustees, administrators or assignees or as he directs; Provided always that the Company shall be entitled to a lien upon such residue in respect of any money due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof. Application of proceeds of sale
62. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser's name in the Register of Members as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of the transfer or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money. After his name has been entered in the Register of Members the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Transfer and title to shares sold

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63. A statutory declaration in writing by a Director that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under seal for the share delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.
- Statutory declaration that share duly forfeited

CONVERSION OF SHARES INTO STOCK

64. The Company may from time to time by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert such stock into paid up shares.
- Conversion from share to stock and back to share
65. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in general meeting shall direct, but in the absence of such direction, the respective interests may be transferred in the same manner and subject to the same regulations as the shares from which the stock arose would have been transferred prior to conversion or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable.
- Transfer of stock
66. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not, if existing in shares, have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.
- Rights of stock-holders
67. All such provisions of this Constitution as are applicable to paid up shares shall apply to stock and in all such provisions the words 'share' and 'shareholder' shall include 'stock' and 'stockholder'.
- Interpretation

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ALTERATIONS OF CAPITAL

68. (1) Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all new shares shall before issue be offered to such Members who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this regulation 68(1). Offer of new shares to members
- (2) Notwithstanding regulation 68(1), the Company may by Ordinary Resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:– General authority for Directors to issue new shares and make or grant Instruments
- (a) (i) issue shares of the Company 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; and
- (b) (notwithstanding that the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:–

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed);
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) for the time being in force (unless such compliance is waived by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) and this Constitution; and

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- (3) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
69. Notwithstanding regulation 68 above but subject to the Act, the Directors shall not be required to offer any new shares or make or grant any Instruments to Members to whom by reason of foreign securities laws such offer of shares or making or granting of Instruments may not be made without registration of the shares or Instruments or a prospectus or other document, but may, at their absolute discretion and on such terms and conditions as the Directors deem fit, sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.
70. Subject to any directions that may be given in accordance with the powers contained in this Constitution, any capital raised by the creation of new shares shall be considered as part of the original capital as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital. Capital raised deemed original capital
71. (1) The Company may by Ordinary Resolution: Power to consolidate, cancel and sub-divide shares
- (a) consolidate and divide all or any of its shares;
 - (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Statutes and this Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the number of the shares so cancelled; and
 - (d) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.
- (2) The Company may by Special Resolution and subject to and in accordance with the Statutes, convert one class of shares into another class of shares. Power to convert shares.
72. (1) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law. Reduction of share capital

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- (2) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. The Company may deal with any such share which is so purchased or acquired by the Company in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share). Without prejudice to the foregoing, upon cancellation of shares purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

Power to repurchase shares

GENERAL MEETINGS

73. Save as otherwise permitted under the Act, an annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen (15) months after the holding of the last preceding Annual General Meeting (or such other period as may be prescribed from time to time by the provisions of the Act)) and place as may be determined by the Directors. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Company shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.
74. The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition by Members in accordance with the Act or in default may be convened by such requisitionist as provided for under the Act.

Annual general meetings and extraordinary general meetings

Calling for extraordinary general meetings

NOTICE OF GENERAL MEETINGS

75. Any general meeting at which it is proposed to pass Special Resolutions or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Act, shall be called by at least twenty-one (21) days' notice in writing. An annual general meeting or any other general meeting shall be called by at least fourteen (14) days' notice in writing. The notice must specify the place, the day and the hour of the meeting. Such notice shall be given in the manner hereinafter mentioned to all Members other than those who are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange (and where applicable, to any other securities exchange upon which the shares in the Company are listed).

Notice of meeting

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Subject to the provisions of the Act and the listing rules of the Exchange, notwithstanding that it has been called by a shorter notice than that specified above, a general meeting shall be deemed to have been duly called if it is agreed: Shorter notice

- (a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting. Accidental omission

76. Notice of every general meeting shall be given in any manner authorised by this Constitution to: Persons to whom notice of meeting is to be given

- (a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;
- (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the meeting;
- (c) every Director;
- (d) the Auditors, without prejudice to regulation 178; and
- (e) the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).

No other person shall be entitled to receive notices of general meetings; Provided always that if the meeting is called for the alteration of the objects of the Company, the notice shall comply with the provisions of Section 33 of the Act regarding notices to debenture holders.

77. There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that such proxy need not be a Member. Contents of notice for general meeting

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78. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say: Routine and special business
- (a) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;
 - (b) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (c) fixing of the fees of Directors proposed to be paid under regulation 102(1);
 - (d) declaring dividends; and
 - (e) appointing or re-appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

79. In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect. Notice to specify nature of special business

PROCEEDINGS AT GENERAL MEETINGS

80. No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this regulation, 'Member' includes a person attending as a proxy and a corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act and such corporation's representative is not otherwise entitled to be present at the meeting as a Member or proxy or as a corporate representative of another Member. Provided always that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one (1) proxy such proxies shall count as only one (1) Member for the purpose of determining the quorum. Quorum
81. If within half an hour from the time appointed for the holding of a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday then the next business day following that public holiday) at the same time and place or to such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more Members present in person or by proxy or attorney or in the case of a corporation by a representative shall be a quorum. Adjournment if quorum not present

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82. The Chairman of the Board or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every general meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be Chairman of the meeting. Notwithstanding the provisions set out in this regulation, the Chairman or the Deputy Chairman may request a Director to chair the meeting on his behalf. Chairman
83. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully be transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty (30) days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting. Adjournment by chairman
84. (1) If required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)). Mandatory Polling
- (2) Subject to regulation 84(1), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the Chairman of the meeting; or
- (b) at least two (2) Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and entitled to vote thereat; or
- (c) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting; or
- (d) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent (5%) of the total sum paid up on all the shares conferring that right. Method of voting where mandatory polling not required

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A demand for a poll made pursuant to regulation 84(2) may be withdrawn only with the approval of the Chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is so demanded (and the demand is not withdrawn), a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

85. In the case of an equality of votes whether on a poll or on a show of hands, the Chairman shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member or as a proxy of a Member. Equality of votes
86. Subject to regulation 87, where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place as the Chairman of the meeting may direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. No notice need be given of a poll not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive. The Chairman of the meeting may (and, if required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. How a poll is to be taken
87. A poll on the election of a Chairman of a meeting or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time as the Chairman of the meeting may direct. No notice need be given of a poll not taken at once. Time for taking a poll
88. Subject to the listing rules of the Exchange, if at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the vote unless it is pointed out at the same meeting at which the vote is taken or at any adjournment thereof, and is in the opinion of the Chairman of sufficient magnitude to vitiate the result of the voting. Error in counting votes
89. The Members may, if the Directors at their absolute discretion deem fit, participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present. Meetings via electronic means

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VOTES OF MEMBERS

90. (1) Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Voting rights of Members
- (2) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 9, every Member who is present in person or by proxy, attorney or corporate representative (as applicable) shall:
- (a) on a poll, have one (1) vote for every share which he holds or represents; and
 - (b) on a show of hands, have one (1) vote, Provided always that:
 - (i) in the case of a Member who is not a relevant intermediary and is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
 - (ii) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.
 - (3) For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company.
91. A Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show of hands or on a poll, by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, but no person claiming to vote pursuant to this regulation shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than seventy-two (72) hours before the time for holding the meeting at which he wishes to vote. Voting rights of Members who are mentally disordered
92. If two (2) or more persons are jointly entitled to a share then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors, trustees or administrators of a deceased Member in whose name any share stands shall for the purpose of this regulation be deemed joint holders thereof. Voting rights of joint holders

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93. Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting. Right to vote
94. (1) Save as otherwise provided in the Act: Appointment of proxies
- (a) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. Where such Member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any subsequent named proxy as an alternate to the earlier named; and
- (b) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (2) In any case where a Member is a Depositor, the Company shall be entitled: Shares entered in Depository Register
- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (3) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. Notes and instructions
- (4) A proxy or attorney need not be a Member. Proxy need not be a Member
- (5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.

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95. (1) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and: Execution of proxies

(a) in the case of an individual, shall be:

(i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation, shall be:

(i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of regulations 95(1)(a)(ii) and 95(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(2) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised 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 pursuant to regulation 96(1), failing which the instrument may be treated as invalid. Witness and authority

(3) The Directors may, in their absolute discretion:

Directors may approve method and manner, and designate procedure, for electronic communications

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in regulations 95(1)(a)(ii) and 95(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), regulation 95(1)(a)(i) and/or (as the case maybe) regulation 95(1)(b)(i) shall apply.

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- (4) The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy, including authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

96. (1) An instrument appointing a proxy:

Deposit of proxies

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this regulation 96 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in regulation 96(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulation 96(1)(a) shall apply.

Directors may specify means for electronic communications

97. Unless otherwise directed by the Chairman of the meeting, a vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office at least one (1) hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Intervening death or mental disorder of Member

98. Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this regulation.

Corporations acting via representative

ANNEX 2 – NEW CONSTITUTION

99. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision as to its validity shall be final and conclusive. Objections

DIRECTORS

100. (1) Subject to the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), the number of Directors, all of whom shall be natural persons, shall not be less than two. Number of Directors
- (2) The first directors of the Company are Mr Koh Tiat Meng, Mr Koh Teak Huat, Mr Koh Tiak Chye and Ms Quek Chee Nee. First Directors
101. A Director need not be a Member and shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member shall nevertheless be entitled to receive notice of, attend and speak at all general meetings of the Company. Qualifications
102. (1) The fees of the Directors shall be determined from time to time by an Ordinary Resolution of the Company and such fees shall (unless such resolution otherwise provides) not be increased except pursuant to an Ordinary Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office. Fees for Directors
- (2) Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside the scope of his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this regulation. Extra remuneration
- (3) The fees (including any remuneration under regulation 102(2) above) in the case of a Director other than an Executive Director shall comprise: (i) fees which shall be a fixed sum and/or (ii) such fixed number of shares in the capital of the Company, and shall not at any time be by commission on, or percentage of, the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on, or percentage of turnover. Remuneration by fixed sum
103. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company, in the course of the performance of their duties as Directors. Reimbursement of expenses

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104. The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of, or subscription and support to, any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
105. (1) Other than the office of auditor, a Director may hold any other office or place of profit in the Company and he or any firm of which he is a member or any company of which he is a Director or shareholder may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company whether as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise howsoever nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested whether directly or indirectly be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established. Provided always that he has complied with the requirements of Section 156 of the Act as to disclosure.
- (2) Every Director and Chief Executive Officer shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officer in contracts or proposed contracts with the Company or of any office or property held by him which might create duties or interests in conflict with his duties or interests as a Director or Chief Executive Officer. Notwithstanding such disclosure, a Director shall not vote in regard to any contract or arrangement or any other proposal whatsoever in which he has directly or indirectly a personal material interest although he shall be taken into account in ascertaining whether a quorum is present.
106. (1) A Director may be or become a director of, or hold any office or place of profit (other than as auditor), or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and such Director shall not be accountable for any fees, remuneration or other benefits received by him as a Director or officer of, or by virtue of his interest in such other company unless the Company otherwise directs.

Benefits for employees

Power of Directors to hold office of profit and to contract with Company

Directors and Chief Executive Officer to observe Section 156 of the Act

Holding of office in other companies

ANNEX 2 – NEW CONSTITUTION

- (2) Subject always to regulation 105(2), the Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company. Directors may exercise voting power conferred by Company's shares in another company
107. The Company in general meeting may, subject to the provisions of this Constitution and any requirements of the Act, by Ordinary Resolution of which notice has been given to all Members entitled to receive notices, from time to time remove any Director before the expiration of his period of office (notwithstanding anything in this Constitution or in any agreement between the Company and such Director) and appoint another person in place of the Director so removed (and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director), and may increase or reduce the number of Directors, and may alter their share qualifications (if any). Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy in accordance with regulation 114. Until otherwise determined by a general meeting, there shall be no maximum number of Directors. Removal of Director and change in maximum number of Directors
108. The office of a Director shall be vacated in any of the following events, namely: Vacation of office of Director
- (a) if he is prohibited by law from acting as a Director;
 - (b) if he ceases to be a Director by virtue of any of the provisions of the Act;
 - (c) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
 - (d) if a bankruptcy order is made against him or if he suspends payments or makes any arrangement or composition with his creditors generally;
 - (e) if he becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
 - (f) if he becomes disqualified from acting as a director by virtue of his disqualification or removal or the revocation of his appointment as a director, as the case may be, under any applicable laws;
 - (g) if he absents himself from the meetings of the Directors during a continuous period of six (6) months without special leave of absence from the Board and they pass a resolution that he has by reason of such absence vacated office;

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- (h) if he is removed from office by the Company in general meeting pursuant to this Constitution; and
- (i) if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board).
109. (1) The Directors may from time to time appoint one or more of their body to be the holder of an executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Act) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke such appointment. Directors may hold executive offices
- (2) The appointment of any Director to the office of Chairman or Deputy Chairman shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. Cessation of directorship of Chairman or Deputy Chairman
- (3) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company. Cessation of directorship of Executive Director
- (4) The Directors may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of or in substitution for all or any of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers. Power of Executive Directors

ROTATION OF DIRECTORS

110. Subject to this Constitution and to the Act, at each annual general meeting at least one-third of the Directors for the time being (other than the Managing Director), or, if their number is not a multiple of three, the number nearest to but not less than one-third, selected in accordance with regulation 111, shall retire from office by rotation (in addition to any Director retiring pursuant to regulation 114). A retiring Director shall retain office until the close of the meeting at which he retires. Retirement of Directors by rotation
111. The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Selection of Directors to retire
112. The Company at the meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill the vacated office by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected, unless: Deemed re-appointed

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- (a) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (d) the default is due to the moving of a resolution in contravention of Section 150 of the Act.

The retirement shall not take effect until the conclusion of the meeting (except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost) and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

- 113. No person, other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless not less than eleven (11) nor more than forty-two (42) clear days (exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been left at the Office (i) a notice in writing signed by some Member (other than the person to be proposed), duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election or (ii) a notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office, Provided always that, in the case of a person recommended by the Directors for election, not less than nine (9) clear days' notice only shall be necessary, and notice of each and every candidate for election shall be served on all Members at least seven clear days prior to the meeting at which the election is to take place.
Notice of intention to appoint Director
- 114. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director but the total number of Directors shall not at any time exceed the maximum number (if any) fixed by this Constitution. Without prejudice thereto, the Directors shall have power at any time and from time to time to do so, but any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
Directors' power to fill casual vacancies and to appoint additional Directors

MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

- 115. The Directors may from time to time appoint one or more of their body to be Managing Director or Chief Executive Officer (or any equivalent appointment(s) howsoever described) of the Company or may appoint any other person(s) to be Chief Executive Officer(s) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Where an appointment is for a fixed term such term shall not exceed five (5) years.
Appointment, resignation and removal of Chief Executive Officer / Managing Director

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116. Subject to the provisions of any contract between a Managing Director / Chief Executive Officer and the Company, the Managing Director / Chief Executive Officer (or any person holding an equivalent appointment) who is a Director shall not, while holding that office, be subject to retirement by rotation, but he shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall be automatically determined if he ceases from any cause to be a Director. Managing Director / Chief Executive Officer subject to retirement by rotation
117. A Managing Director / Chief Executive Officer (or any person holding an equivalent appointment) shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profit, or partly in one way and partly in another) as the Directors may determine; but he shall not under any circumstance be remunerated by a commission on or a percentage of turnover. Remuneration of Managing Director / Chief Executive Officer
118. The Directors may entrust to and confer upon a Managing Director / Chief Executive Officer (or any person holding an equivalent appointment) any of the powers exercisable under this Constitution by them as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of such powers. A Managing Director / Chief Executive Officer (or any person holding an equivalent appointment) shall be subject to the control of the Board. Power of Managing Director / Chief Executive Officer

POWERS AND DUTIES OF DIRECTORS

119. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors who may exercise all such powers of the Company as are not by the Statutes or by this Constitution required to be exercised by the Company in general meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in a general meeting. Directors' general power to manage

The general powers given by this regulation shall not be limited or restricted by any special authority or power given to the Directors by any other regulation.

120. The Directors may establish any local boards or agencies for managing any affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards or any managers or agents, and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person acting in good faith and without notice of any such annulment or variation shall be affected thereby. Establishing local Boards

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121. The Directors may, at their discretion and from time to time, raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company or of any third party. Power to borrow
122. The Directors may delegate any of their powers or discretion other than the powers to borrow and make calls to committees consisting of one or more members of their body as they think fit and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon them by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. Power to delegate to committee
123. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding regulation. Proceedings of committees
124. The Directors may, at any time, and from time to time, by power of attorney or otherwise, appoint any corporation, firm, limited liability partnership, or person or any body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution), and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Power to appoint attorneys
125. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments in which the Company is in any way concerned or interested and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall from time to time by resolution determine. Signing of cheques and bills
126. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote. Validity of acts despite defect in appointment
127. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Act, cause to be kept a Branch Register or Register of Members, and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit in respect of the keeping of any such Register. Branch register

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ALTERNATE DIRECTOR

128. Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director) approved by a majority of his co-Directors to be his Alternate Director during such period as he thinks fit and may in like manner at any time terminate such appointment. Appointment of Alternate Director
129. A person may not act as an Alternate Director for more than one Director at the same time. No Director may act as Alternate Director
130. The appointment of an Alternate Director shall *ipso facto* terminate on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also terminate *ipso facto* if his appointor ceases for any reason to be a Director. Determination of appointment
131. An Alternate Director shall (subject to his giving to the Company an address in Singapore) be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings of such meeting the provisions of this Constitution shall apply as if he (instead of his appointor) were a Director. If his appointor is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of this Constitution. Notices and attendance at meetings
132. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Any fee paid to an Alternate Director shall be deducted from the remuneration otherwise payable to his appointor. Remuneration
133. An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under this Constitution but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote. Alternate Director counted for quorum purposes
134. An Alternate Director shall not be required to hold any share qualification. Alternate Director need not hold share qualification

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PROCEEDINGS OF DIRECTORS

135. The Directors or any committee of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two (2). Subject to the provisions of this Constitution, questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote Provided always that the Chairman of a meeting at which only two Directors are present and form the quorum or only two Directors are competent to vote on the question at issue, shall not have a second or casting vote. A meeting of the Directors at which a quorum is present at the time the meeting proceeds to business shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors. Meetings of Directors and quorum
136. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors by notice served upon the several members of the Board, but it shall not be necessary to give written notice of a meeting of Directors to any Director for the time being absent from Singapore unless he has previously notified the Company of his current address to which notice may be served by any form of electronic communication or telegraphic communication or other means approved by the Directors for such purpose. A Director may also waive notice of any meeting and such waiver may be retrospective. Convening meetings
137. The accidental omission to give any Director, or the non-receipt by any Director of, a notice of meeting of Directors shall not invalidate the proceedings at that meeting. Accidental omission
138. The Directors or any committee of Directors may from time to time elect a Chairman and, if desired, a Deputy Chairman who shall preside at their meetings, but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman not be present within fifteen (15) minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting from among the Directors present. Notwithstanding the provisions set out in this regulation, the Chairman or the Deputy Chairman may request a Director to chair the meeting on his behalf. Chairman and Deputy Chairman
139. The Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the continuing Directors or Director may, except in an emergency, act for the purpose (i) of appointing sufficient Directors to bring the Board up to that number or (ii) of summoning a general meeting of the Company notwithstanding that there shall not be a quorum, but not for any other purpose. If there are no Directors or Director able or willing to act, then any two Members may summon a general meeting for the purpose of appointing Directors. Proceeding in case of vacancies

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140. A resolution in writing signed or approved by a majority of the Directors or their alternates for the time being (who are not prohibited by law or this Constitution from voting on such resolutions) and constituting a quorum shall be as effective as a resolution duly passed at a meeting of the Directors or of a committee of Directors duly convened and held. Any such resolution may be contained in a single document or may consist of several documents all in like form, each signed or approved as aforesaid provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. A resolution pursuant to this regulation shall be deemed to have been passed on the date when the resolution is signed or approved by the last Director constituting a simple majority of the Directors. For the purpose of this regulation 'in writing' and 'signed' include approval by letter, telex, facsimile, cable, telegram, email or any other form of electronic communication or telegraphic communication or means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and / or identification procedures and devices approved by the Directors.
141. The meetings of Directors may be conducted by means of telephone or video conference or other methods of simultaneous communication by electronic, telegraphic or other similar means by which all persons participating in the meeting are able to hear and be heard and, if applicable, see and be seen by all the other participants without the need for physical presence, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The minutes of such a meeting signed by the Chairman of the meeting shall be conclusive evidence of any resolution of any meeting so conducted. Such a meeting shall be deemed to be held at the place agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting was at that place for the duration of the meeting.
142. The Directors participating in any such meeting shall be counted in the quorum for such meeting and, subject to there being a requisite quorum under this Constitution, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held.
143. In the case of a meeting which is not held in person, the fact that a Director is taking part in the meeting must be made known to all the other Directors taking part, and no Director may disconnect or cease to take part in the meeting unless he makes known to all other Directors taking part that he is ceasing to take part in the meeting.
144. The Directors shall cause proper minutes to be made in books to be provided for the purpose of recording all the proceedings of all meetings of Directors and committees of Directors and of the attendances thereat and of the proceedings of all meetings of the Company and all business transacted, resolutions passed, appointments of officers made by the Directors and orders made at such meetings and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting of the Company or Directors or committee as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.

Resolutions in writing

Meetings via electronic means

Directors participating in electronic meetings counted towards quorum

Participation of Director must be made known

Minutes

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145. The Directors shall duly comply with the provisions of the Act and in particular the provisions with regard to the registration of charges created by or affecting property of the Company, a Register of Members, a Register of mortgages and charges and a Register of Directors' and Chief Executive Officer's Share and Debenture Holdings, and the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company. Keeping of Registers, etc
146. Any register, index, minute book, accounting record, minute or other document required by this Constitution or by the Act to be kept by or on behalf of the Company may be kept either in hard copy form or in electronic form, subject to compliance with the provisions of the Act. Form of Registers, etc.

SECRETARY

147. The Secretary or joint Secretaries shall, and a Deputy or Assistant Secretaries may, be appointed by the Directors for such term at such remuneration and upon such conditions as they may think fit; and any Secretary, joint Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary shall not conflict with the provisions of the Act. Appointment and removal of Secretary
148. A provision of the Act or this Constitution requiring or authorising a thing to be done by or in relation to a Director and the Secretary shall not be satisfied by its being done by or in relation to the same person acting as Director and as or in place of the Secretary. Only Director and Secretary can act
149. A provision of the Act or this Constitution requiring or authorising a thing to be done by or in relation to the Secretary shall be satisfied by its being done by or in relation to one or more of the joint Secretaries if any for the time being appointed by the Directors. Joint Secretaries

THE SEAL

150. The Directors shall provide for the safe custody of the Seal which shall only be used with the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and every instrument to which the Seal shall be affixed shall be (subject to the provisions of this Constitution as to certificates for shares) signed by one (1) Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. Any facsimile signature may be reproduced by mechanical, electronic or such other method as may be approved by the Directors. Use of Seal
151. The Company may exercise all the powers conferred by Section 41 of the Act to have an official seal for use abroad and such powers shall be vested in the Directors. Official Seal overseas
152. The Company may have a duplicate common seal as referred to in Section 124 of the Act which shall be a facsimile of the common seal of the Company with the addition on its face of the words 'Share Seal'. Share Seal

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AUTHENTICATION OF DOCUMENTS

153. Any Director or the Secretary or any person appointed by the Directors for the purpose, shall have power to authenticate any documents affecting the Constitution of the Company; any resolutions passed by the Company, the Directors or any committee; and any books, records, documents, accounts and financial statements relating to the business of the Company. Such persons shall have the authority to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Power to authenticate documents
154. A document purporting to be a copy of a resolution or an extract from the minutes of a meeting, of the Company or of the Directors or any committee, which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to regulation 153 above and/or this regulation may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. Certified copies of resolution of Directors

DIVIDENDS AND RESERVES

155. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this regulation, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share. Apportionment of dividends
156. The Directors may, from time to time, set aside out of the profits of the Company and carry to reserve, such sum or sums as they think proper which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application, may either be employed in the business of the Company or be invested. The Directors may divide the reserve fund into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes. Power to set aside profits as reserve

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157. The Directors may, with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed dividends (either in cash or *in specie*) on any class of shares carrying a fixed dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates and in respect of such periods as they may think fit.
158. The Company may upon the recommendation of the Directors by Ordinary Resolution, direct payment of a dividend in whole or in part *in specie* by the distribution of specific assets (and in particular of paid-up shares or debentures or debenture stock of any other company or any combination of any specific assets) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Members in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member.
159. (1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (a) the basis of any such allotment shall be determined by the Directors;
 - (b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this regulation;

Declaration
and payment of
dividends
Interim
dividends

Payment of
dividends *in
specie*

Scrip Dividends

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- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect of which the share election has been duly exercised (the “elected shares”) and in lieu of cash and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of regulation 168, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.
- (2) (a) The shares of the relevant class allotted pursuant to the provisions of paragraph (1) of this regulation shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify. Ranking of shares and other actions
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this regulation, with full power to make such provisions as they may think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members).
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this regulation shall be read and construed subject to such determination. Record date

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| (4) | The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, further determine that:- | Cash in lieu of shares |
| (a) | no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and, in such event, the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and | |
| (b) | no allotment of shares or rights of election for shares under paragraph (1) of this regulation shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary. | |
| (5) | Notwithstanding the foregoing provisions of this regulation, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this regulation in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interests of the Company, cancel the proposed application of paragraph (1) of this regulation. | Cancellation |
| 160. | No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any). | No right to dividends where calls outstanding |
| 161. | The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct. | Deduction from debts due to Company |
| 162. | A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered. | Effect of transfer of shares |
| 163. (1) | The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Retention of dividends on shares subject to lien |
| (2) | The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same. | Retention of dividends on shares pending transmission |

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164. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. Waiver of dividends
165. (1) Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or (as the case maybe) to the Depository for distribution to the Depositors entitled thereto or to such Member or person at such address as such persons may in writing direct or by such means (including, by electronic means) as the Directors may decide at their absolute discretion. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby and the Company shall not be responsible for the loss of any cheque or warrant sent through the post, which shall be sent by post duly addressed to the Member for whom it is intended. Dividend paid by cheque or warrant
- (2) Notwithstanding the provisions of paragraphs (1) and (3) of this regulation, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment. Payment to Depository good discharge
- (3) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. Resolution declaring dividends
166. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever. Unclaimed dividends or other moneys

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167. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company. No interest on dividends

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

168. The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to regulation 68(2)) but subject to regulation 7(3): Power to capitalise profits

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 68(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 68(2)) such other date as may be determined by the Directors),

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

169. The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under regulation 168, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members. Directors to give effect to bonus issues and/or capitalisation

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170. In addition and without prejudice to the powers provided for by regulations 168 and 169 above, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:
- Power to issue free shares and/or to capitalise reserves for employee share-based incentive plans
- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under regulation 102(1) and/or regulation 102(2) approved by shareholders in general meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

FINANCIAL STATEMENTS

171. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or, at such other place as the Directors think fit.
- Location of books of accounts
172. No Member or other person shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or ordered by a court of competent jurisdiction or authorised by the Directors.
- Inspection
173. In accordance with the provisions of the Act, the Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. The interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed four months (or such other period as may be permitted by the Act and/or the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)).
- Preparation and presentation of financial statements
174. A copy of the financial statements and, if required, the balance sheet (including every document required by law to be attached thereto) which is duly audited and which is to be laid before the Company in general meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen (14) days before the date of the meeting be sent to every Member of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or this Constitution; Provided always that:
- Copies of financial statements
- (a) these documents may, subject to the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), be sent less than fourteen (14) days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and

ANNEX 2 – NEW CONSTITUTION

- (b) this regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of any joint holders of any shares in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDIT AND AUDITORS

175. Auditors of the Company shall be appointed and their duties regulated in accordance with the provisions of the Act. Regulation of Auditors
176. Every auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. Auditor's rights to documents
177. Subject to the provisions of the Act, all acts done by any person acting as an auditor of the Company shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified. Acts of Auditors valid despite defect in appointment
178. The auditors of the Company or their agent authorised by them in writing for the purpose shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting to which any Member is entitled and to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors of the Company. Auditor's right to receive notice and attend meetings

NOTICES

179. Any notice or document (including a share certificate) may be served on or delivered to any Member either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Service of notice

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180. (1) Without prejudice to the provisions of regulation 179 but subject otherwise to the Act and any regulations made thereunder and (where applicable) only when allowed under the listing rules of the Exchange (and/or any other securities exchange upon which the shares in the Company are listed) relating to electronic communications, any notice or document (including, without limitation, any accounts, balance sheets, financial statements, circulars or reports) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member or officer or Auditor of the Company may be given, sent or served using electronic communications (including by electronic mail or short message service):
- (a) to the current address of that person; or
- (b) by making it available on a website prescribed by the Company from time to time,
- in accordance with the provisions of this Constitution, the Statutes and/or any other applicable regulations or procedures.
- (2) For the purposes of regulation 180(1), a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.
- (3) Notwithstanding regulation 180(2) above, the Directors may, at their discretion, at any time by notice in writing give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.
- (4) Where a notice or document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to regulation 180(1)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company, its service provider or agent, to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
- (b) by making it available on a website pursuant to regulation 180(1)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.

Service by
electronic
communications

Implied consent

Deemed
consent

When notice
given by
electronic
communications
deemed served

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- (5) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to regulation 180(1)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:
- (a) by sending such separate notice to the Member personally or through the post pursuant to regulation 179;
 - (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to regulation 180(1)(a);
 - (c) by way of advertisement in the daily press; and/or
 - (d) by way of announcement on the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).
181. All notices, communications and/or documents (including a share certificate) with respect to any share to which persons are jointly entitled, shall be given to whichever of such persons is named first in the Register of Members or the Depository Register (as the case may be), and notice so given shall be sufficient notice to all the holders of such shares. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.
182. Any Member described in the Register of Members or the Depository Register (as the case may be) by an address not within Singapore who shall from time to time give notice in writing to the Company or the Depository of an address within Singapore at which notices, communications and/or documents may be served upon him shall be entitled to have served upon him at such address any notice, communications and/or documents to which he would be entitled under this Constitution but, save as aforesaid, no Member other than a Member with a registered address within Singapore shall be entitled to receive any notice, communications and/or documents from the Company.
183. A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Member or given, sent or served to any Member using electronic communications in pursuance of this Constitution shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.

Notice to be given of service on website

Service of notices to joint holders

Service on overseas Members

Service of notice after death or bankruptcy

ANNEX 2 – NEW CONSTITUTION

WINDING-UP

184. If the Company shall be wound up, subject to due provision being made for satisfying the claims of any holders of shares having attached thereto any special rights in regard to the repayment of capital, the surplus assets shall be applied in repayment of the capital paid up or credited as paid up on the shares at the commencement of the winding up. Distribution of surplus assets
185. If the Company shall be wound up (whether the liquidation is voluntary under supervision or by the Court), the liquidator may, with the sanction of a Special Resolution, divide among the Members *in specie* or kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section. Distribution of assets *in specie*
186. The liquidator may, as he thinks fit, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. Trust of assets
187. In the event of a winding up of the Company, every Member who is not for the time being in Singapore shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such Member by advertisement in any English newspaper widely circulated in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted. Service of notice

ANNEX 2 – NEW CONSTITUTION

INDEMNITY

188. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary and other officer for the time being of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto. Without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust. Indemnity

SECRECY

189. No Member shall be entitled to require discovery of or any information relating to any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Secrecy

PERSONAL DATA

190. (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes: Personal data
- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;

ANNEX 2 – NEW CONSTITUTION

- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purposes.
- (2) Any Member who appoints a proxy and/or representative for any general meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents and service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in regulation 190(1)(f) and 190(1)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

Personal data of proxies and/or representatives

ANNEX 3 – EXISTING OBJECTS CLAUSES

THE EXISTING OBJECTS CLAUSES

The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution are set out below.

3. The objects for which the Company is established include:-

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|-----|--|---------------------------------|
| (1) | To carry on the business of a holding and investment company and to undertake and transact all kinds of investment business. | Holding and investment company. |
| (2) | To carry on the business of investment and for that purpose to invest the moneys of the Company on the security or in the acquisition of any lands, buildings, properties, leases, under-leases, rights, privileges, mortgages, charges or liens or any interests in the same in Singapore or elsewhere, or of any stocks, shares, debentures, debenture stocks, bonds, notes, obligations, warrants, options, securities, units in any unit trust or other interests of any kind issued, created or guaranteed by any government, state, public body or authority, or by any public or private company, corporate or unincorporate in any part of the world and to hold either in the name of the Company or in that of any nominee and from time to time vary or dispose of the same. | Investment business. |
| (3) | To exercise and enforce all rights and powers conferred by or incident to the ownership of any investment of the Company, and to provide managerial, administrative, supervisory and consultant services for or in relation to any person or company on such terms as may be thought fit. | To provide managerial services. |
| (4) | To aid, by way of capital injection or by advancement of loans or by any other lawful means, any company in the prosecution or carrying out of any undertakings, projects or enterprises. | To aid company. |
| (5) | To procure capital, by the aforesaid means, for any company and to subscribe for, purchase, dispose of, and otherwise deal in shares, bonds and securities of such companies. | To procure capital. |
| (6) | To carry on all or any of the businesses of proprietors of flats, dwelling-houses, maisonettes, shops, offices, clubs and buildings, and for these purposes to purchase, take on lease, or otherwise acquire and hold any lands or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith; to prepare building sites, and to construct, reconstruct, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes, dwelling-houses, shops, offices, clubs, buildings, works and conveniences of all kinds; to lay out roads and pleasure gardens and recreation grounds; to plant drain or otherwise improve the land or any part thereof. | Flat proprietors. |
| (7) | To manage or let flats, maisonettes, dwelling-houses, maisonettes, shops, offices, clubs and buildings or any part thereof for any period, whether belonging to the Company or not and at such rent and on such conditions as the Company shall think fit; to collect rents and income, and to supply to tenants and occupiers and others, light, heat, refreshments, attendants, messengers, waiting-rooms, reading rooms, meeting rooms, lavatories, bath houses, laundry conveniences, electric conveniences, garages, recreation facilities and other advantages which from time to time the Company shall consider desirable, or to provide for such management, letting and advantages as aforesaid by employing any person, firm or company to carry out or supply the same on such terms as the Company may think fit. | To let. |

ANNEX 3 – EXISTING OBJECTS CLAUSES

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| (8) | To undertake or direct the management of the property, buildings, lands and estates (of any tenure or kinds) of any persons, whether members of the Company or not, in the capacity of stewards or receivers or otherwise. | To manage estates. |
| (9) | To promote the sale of and to purchase and sell on behalf of any person movable and immovable properties, or any share or shares, interest or interests therein, and to transact on commission or otherwise the general business of a land agent. | Land agents. |
| (10) | To purchase, lease or otherwise acquire or use any land or property and to build, re-build, maintain, develop, alter or construct upon such land or property and to purchase, hire, take on lease or exchange, build and construct upon, alter, maintain, develop or otherwise acquire or use any movable or immovable properties whatsoever and any rights or privileges or interests, and in particular any land, buildings, easements, machinery, plant and stock in trade. | To acquire property and to purchase, hire, take on lease any movable and immovable properties. |
| (11) | To erect and construct houses, buildings, warehouses, offices, workshops or works of every description on any land, or upon any other land or property, and to pull down, rebuild, enlarge, alter and improve houses, buildings, warehouses, offices, workshops or works thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens and pleasure grounds and other conveniences, and generally to deal with and improve any land or property. | To improve property |
| (12) | To purchase, subscribe for or otherwise acquire and hold shares, stocks, debentures, debenture stocks, bonds, notes, obligations, warrants, options, securities, units in any unit trust or other interests of any kind issued, created or guaranteed by any company whether constituted or carrying on business in Singapore or elsewhere, and shares, stocks, debentures, debenture stocks, bonds, notes, obligations, warrants, options, securities, units in any unit trust or other interests of any kind issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad. | To purchase shares, stocks, debentures. |
| (13) | To acquire any shares, stocks, debentures, debenture stocks, bonds, notes, debts, mortgages, obligations, warrants, options, securities, units in any unit trust or other interests of any kind by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or otherwise either for cash, or a consideration other than cash, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit, either conditionally or otherwise, and to underwrite, sub-underwrite or guarantee the subscription thereof in any manner and to exercise and enforce all or any of the rights and powers conferred by or incident to the ownership thereof. | To acquire stocks by subscription, tender or otherwise. |
| (14) | To issue debentures, debenture stocks, bonds, notes, obligations, warrants, options, securities of all kinds, units in any unit trust or other interests of any kind and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery, or by instrument of transfer or otherwise, either perpetual or terminable, and either redeemable or otherwise, and, if thought fit, to charge or secure the same by trust, deed or otherwise, on the undertaking of the Company, or upon any specific property and rights, present and future, of the Company (including, if thought fit, uncalled capital), or otherwise howsoever. | To issue debentures. |

ANNEX 3 – EXISTING OBJECTS CLAUSES

- (15) To accept all or any shares, stocks, debentures, debenture stocks, bonds, warrants, options, notes, debts, mortgages, obligations, securities, units in any unit trust or other interests of any kind issued or guaranteed by any corporation or undertaking in payment or for any services rendered or for any sale made to or debt or obligation owing by any such corporation or undertaking or for any business undertaken or in respect of any rights, licences, concessions or privileges granted by the Company or otherwise.
- To accept shares issued or guaranteed by corporation.
- (16) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner, other than in the shares of the Company, as may from time to time be determined by the Directors and to invest and deal with moneys on the security of immovable property or any interest therein or on the security of any movable property or assets of any kind and generally to lend and advance moneys with or without security upon such terms as may be arranged and to guarantee either with or without remuneration the payment of moneys or debts by any person or company and to guarantee the performance of any contracts, bonds or obligations and to discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiable or transferable securities or documents.
- To invest money.
- (17) To facilitate and encourage the creation, issue, or conversion of debentures, debenture stocks, bonds, notes, obligations, warrants, options, shares, stocks, and securities, units in any unit trust or other interests of any kind and to act as trustees in connection with any such securities or interests, and to take part in the conversion of business concerns and undertakings into companies.
- To facilitate creation of debentures.
- (18) To take part in the formation, management, supervision, or control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents.
- To take part in formation of any company.
- (19) To act as agents for the issue of any loan by, and to issue and place any shares, stocks, bonds, notes, warrants, options, debts, mortgages, securities, units in any unit trust or other interests of any kind of any company, sovereign state or authorities, supreme, local or otherwise, and to transact all kinds of agency business, and in particular to collect debts and negotiate loans and generally to carry on and undertake any business transaction commonly carried on or undertaken by promoters of companies, concessionaires, contractors for public works, merchants or traders.
- To transact agency business.
- (20) To act as and undertake the office of nominees, trustees, managers, receivers, stewards, liquidators, agents, executor, administrator, committee, manager, attorney, delegate, substitute, treasurer and other offices or situations of trust or confidence and to perform and discharge the duties and functions incident thereto and undertake or direct the management of property, lands, and estates of any tenure or kind of any person, firm, company or authority whether members of the Company or not and in the capacity of stewards or receivers or otherwise, and to undertake and execute any trusts the undertaking of which may seem desirable and either gratuitously or otherwise and for any person, firm, company or authority whatsoever and generally to transact all kinds of trust business either gratuitously or otherwise for any person, firm, company or authority whatsoever.
- To act as nominees and trustees.

ANNEX 3 – EXISTING OBJECTS CLAUSES

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| (21) | To transfer to, or otherwise cause to be vested in, any person or company all or any of the property of the Company to be held in trust for the Company. | To allow property to be held in trust. |
| (22) | To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company and, if thought fit, as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into any arrangements for sharing profits or for co-operation or for limiting competition or for mutual assistance with any such person, firm or company and, if thought fit, to give or accept by way of consideration for any of the acts or things aforesaid or for any property acquired, any shares, debentures, or securities that may be agreed upon and to hold good and retain or sell and mortgage any shares, debentures or securities so received. | To acquire business. |
| (23) | To enter into partnership, or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concessions or otherwise with any person, partnership or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted and to take or otherwise acquire shares and securities of any such company and to sell, hold, re-issue with or without guarantee, the same and to promote, and aid in promoting, constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of the Company, or of advancing, directly or indirectly, the objects thereof, or for any other purpose which the Company may think expedient. | To enter into arrangements for profit sharing. |
| (24) | To promote any other company for the purpose of acquiring all or any of the property and undertaking and all or any of the liabilities of the Company or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company and to place or guarantee the placing of, underwrite, apply for, accept and hold or subscribe, the whole or any part of the capital or securities or to lend money to or guarantee the performance of the contract of any such company. | To promote any other company. |
| (25) | To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company and to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company, and otherwise to assist any person or company either with or without the Company receiving any benefit, consideration or advantage. | To lend money. |
| (26) | To deal in all commercial marketing, export, import, sale and purchase businesses and to promote, carry out and manage all kinds of commercial activities. | To deal in commercial activities. |
| (27) | To carry on the business of commercial, commission and general agents, representatives, and either as principals or agents, to buy, sell, trade and deal in produce, goods, articles and merchandise of every description and to deal in agency, messenger, commercial and representative businesses and to acquire, maintain, manage, exploit and develop all kinds of agency businesses. | To deal in agency businesses. |

ANNEX 3 – EXISTING OBJECTS CLAUSES

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| (28) | To raise or borrow or secure payment of money in such manner and on such terms as the Company may think fit and in particular by the issue of options or debentures charged upon all or any of the Company's property including debts, uncalled. capital (both present and future) or upon bills of exchange or promissory notes or other like obligations to purchase, redeem, or pay off any such securities or debts. | To borrow. |
| (29) | To draw, make, accept, indorse, discount, execute, negotiate, and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments. | To issue negotiable instruments. |
| (30) | To apply for, purchase, or otherwise acquire, use, assign, sell and generally deal in patents, patent rights, copyrights, trademarks, designs, or other exclusive or limited rights or privileges, and to use, develop, grant, license and otherwise turn to account the same, or any interests thereunder, and at pleasure to dispose of the same in any way. | To apply for patents. |
| (31) | To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with the whole or any part of the undertaking, property, assets and rights of the Company, either together or in portions for such consideration as may be agreed and in particular for shares, debentures, debenture stock or securities of any company purchasing the same. | To sell undertaking of Company. |
| (32) | To accept or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the Company's property sold by it or any money due to the Company from purchases and others. | To take mortgages and other securities upon sales. |
| (33) | To establish agencies and appoint managing agents or attorneys in any part of the world and to regulate and discontinue the same. | To establish agencies, branches. |
| (34) | To cause the Company to be registered or recognised in any foreign country or place. | To register Company. |
| (35) | To pay for any business, property or rights acquired or agreed to be acquired by the Company, and generally to satisfy any obligation of the Company, by the issue or transfer of shares of this or any other company credited as fully or partly paid up, or of debentures or other securities of this or any other company. | To pay for acquired business. |
| (36) | To adopt such means of making down the products of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by publication of books and periodicals, and by granting prizes, rewards and donations. | To advertise. |
| (37) | To secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon the undertaking and all or any of the assets and property (present and future) and the uncalled capital of the Company, or by the creation and issue on such terms as may be thought expedient of debentures, debenture stocks, or other securities of any description or by the issue of shares credited as fully or partly paid up. | To secure or discharge debt. |
| (38) | To provide for the instruction and training of the administrative and technical personnel of the community. | To train personnel. |

ANNEX 3 – EXISTING OBJECTS CLAUSES

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| (39) | To accept stocks, shares, options or securities in, or the debentures of, any company in payment or part payment for any services rendered or for any sale made to or debt owing from such company. | To accept shares for services. |
| (40) | To remunerate by way of commission or otherwise any person, firm or company for services rendered or to be rendered to the Company, its subsidiaries and associated companies either by cash payment or by the allotment to him or them of stocks, shares, options or securities of the Company, its subsidiaries and associated companies credited as fully paid up in full or in part or otherwise. | To remunerate persons rendering services. |
| (41) | To give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits, or charitable aid to any persons who are or have been directors of or persons who are or have been employed by or who are serving or have served the Company, its subsidiaries or associated companies, and to the spouses, widows or widowers, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish support and maintain (whether contributory or non-contributory) superannuation and other funds or schemes (including, without limitation, share option or participation schemes) for the benefit of any of such persons, and of their spouses, widows or widowers, children and other relatives and dependants. | To reward employees. |
| (42) | To provide for the welfare of employees or ex-employees of the Company, its subsidiaries and associated companies and the wives and families or the dependants or connections of such persons in such manner as the Company shall think fit and in particular by building or contributing to the building of houses or dwellings or by grants of moneys, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing on subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit. | To provide welfare for employees. |
| (43) | To make donations for patriotic or for charitable purposes and to support and subscribe to any charitable or public object and any institution, society or club. | To make donations and to subscribe to charities. |
| (44) | To sell or dispose of the assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any company. | To sell and dispose assets of the Company. |
| (45) | To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with, or as factors, trustees or agents for, any other companies or persons, or by or through any factors, trustees or agents. | To trade in other parts of the world. |
| (46) | To pay all or any expenses incurred in connection with the formation and incorporation of the Company or to contract with any person, firm or company to pay the same and to pay commissions to brokers and others for undertaking, placing, selling, or guaranteeing the subscription of any shares, debentures or securities of the Company promoted by the Company. | To pay expenses of formation of company. |
| (47) | To effect insurance against losses, damage, risks and liabilities of all kinds which may affect any person or company having a contractual relationship with the Company. | To effect insurances. |

ANNEX 3 – EXISTING OBJECTS CLAUSES

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| (48) To distribute among the members of the Company in kind any property of the Company and in particular any immovable property or any shares, debentures or securities of other companies belonging to the Company or of which the Company may have the power of disposing, but so that no distribution involving a reduction of the capital may be made without such sanctions as may be required by law. | To distribute Company's property. |
| (49) To enter into any arrangements with any governments or authorities, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions. | To enter into arrangement with government. |
| (50) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase, or otherwise, and to exercise, carry out, and enjoy any charter, licence, power, authority, franchise, concession, right, or privilege, which any Government or authority or any corporation or other public body may be empowered to grant; and to pay for, aid in, and contribute towards carrying the same into effect; and to appropriate any of the Company's shares, debentures, or other securities and assets to defray the necessary costs, charges, and expenses thereof. | To apply for licence. |
| (51) Unless expressly excluded or modified herein or by the Company's Articles of Association to exercise each and every one of the powers set forth in the Third Schedule to the Companies Act (Cap. 50). | Third Schedule to the Companies Act (Cap. 50). |
| (52) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable all or any of the Company's properties, undertakings, interests or rights. | To carry on other business. |
| (53) To obtain all powers and authorities necessary to carry out or extend any of the above objects. | To obtain powers. |
| (54) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them or any objects of a like or similar nature, or which may be conveniently carried on and done in connection therewith or which may be calculated directly or indirectly to enhance the value of or render profitable any business or property of the Company. | To do everything incidental. |

And it is hereby declared that, in the interpretation of this clause the objects and powers conferred on the Company by any paragraph shall not be restricted by reference to any other paragraph, or the name of the Company, or by the juxtaposition of two or more objects and powers, or by any marginal note or heading, and that, in the event of any ambiguity, this clause and every paragraph shall be construed in such a way as to widen, and not to restrict the objects and powers of the Company.

And it is hereby further declared that the word "company" when not applied to this Company, shall, wherever the context so permits, be deemed to include any entity, partnership or other body or person political, mercantile or otherwise incorporated or not incorporated, and whether domiciled in the Republic of Singapore or elsewhere in any part of the world and whether existing or hereafter to be formed.

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