KSH Holdings Limited

FORGING ***AHEAD***

ANNUAL REPORT 2015

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OUR VISION

To be a leader in building construction services in Singapore and a sizeable investor in property development business in the region.

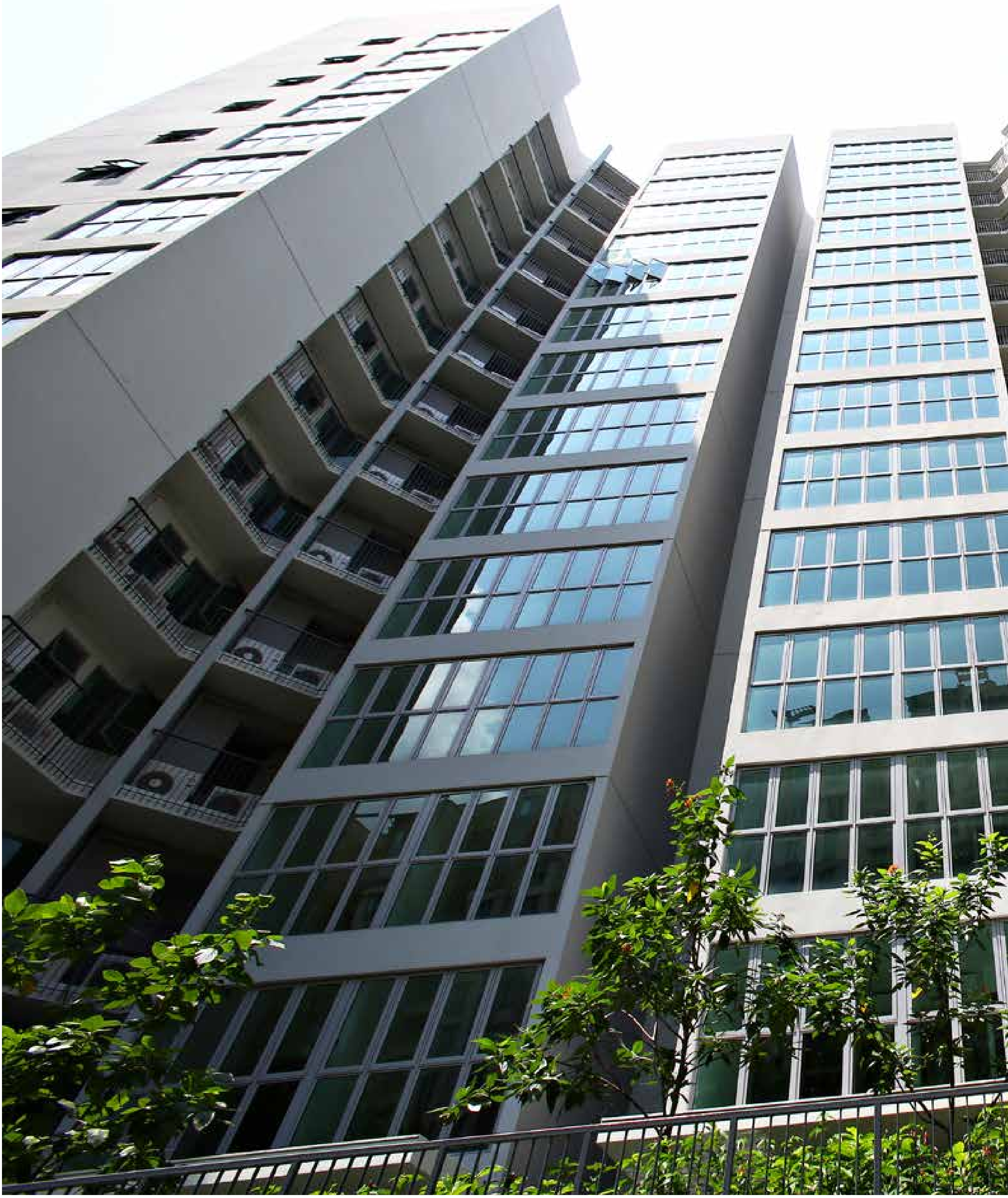
OUR MISSION

We are committed to contributing social and economic benefits to our society through the provision of high quality and cost-effective services in construction and niche property development activities in the region.

We provide innovative solutions in an efficient and professional manner to meet our customers' requirements in building and property businesses by bringing together the best available resources and continually improving upon our processes to deliver excellence.

As we achieve the above, we shall also generate fair and satisfying economic value for our shareholders.

KSH seeks to continue broadening its businesses and projects, explore opportunities in new markets, while striving towards sustainable growth to enhance shareholder value.



CORPORATE PROFILE

KSH Holdings Limited ("KSH" or the "Group") (“金成兴控股有限公司”) is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and listed on the Mainboard of SGX-ST since February 8, 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector Construction projects of unlimited value, and is a main contractor for both the public and private sectors in Singapore. The Group also has an A2 grade under BCA's CW02 category for civil engineering, allowing KSH to tender for Public Sector projects for values of up to $90 million.

KSH has an established track record for handling construction projects across a broad spectrum of industries, and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. KSH had won several BCA Construction Excellence Awards including that for Fullerton Bay Hotel and NUS University Town's Education Resource Centre in 2013 and Madison Residences in 2014, amongst others.

The Group is also engaged in property development through strategic alliances and joint ventures. KSH has successfully launched several residential and mixed-use development projects in Singapore and the People's Republic of China ("PRC"), while exploring property development and the investment opportunities in new geographies with favourable real estate cycles, such as Australia and the United Kingdom, with a focus in Southeast Asia.

On the Property Investment front, the Group invests in yield-accretive assets that generate a sustainable stream of income with potential capital gains. Its investments include a 30-storey Grade A office development, Prudential Tower in Raffles Place, and a 36-storey retail and office complex, Tianxing Riverfront Square in the heart of the business district of Tianjin, PRC.

The Group seeks to continue broadening its businesses and projects, explore opportunities in new markets while striving towards sustainable growth to enhance shareholder value.

ONGOING PROJECTS

CONSTRUCTION PROJECTS:

1. Q bay Residences 2. NEWest Development 3. United World College 4. KAP & KAP Residences 5. Community Building at Bedok North 6. Singapore Chinese Cultural Centre 7. Sport Centre Building at National University of Singapore


1


3


2


4


5


6

PROPERTY DEVELOPMENT:

SINGAPORE 1. Lincoln Suites 2. Cityscape@Farrer Park 3. The Boutiq 4. Rezi 26 5. The Palacio 6. Sky Green 7. NEWest 8. KAP & KAP Residences 9. FloraVille, Flora Vista & Floraview 10. Trio 11. Rezi 3TWO 12. Hexacube PRC 13. Liang Jing Ming Ju 4th Phase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GROUP STRUCTURE

KSH HOLDINGS LIMITED

- 100% KIM SENG HENG ENGINEERING CONSTRUCTION (PTE) LTD
  - 100% TECHPATH CONSTRUCTION SDN BHD
  - 50% SINO SINGAPORE KIM SENG HENG (BEIJING) ENGINEERING CONSTRUCTION CO. LTD
- 100% KIM SENG HENG REALTY PTE LTD
  - 100% KSH LAND DEVELOPMENT PTE. LTD.
  - 45% DEVELOPMENT 32 PTE. LTD.
  - 45% DEVELOPMENT 26 PTE. LTD.
  - 42% UNIQUE REZI PTE. LTD.
  - 35% UNIQUE DEVELOPMENT PTE. LTD.
  - 35% UNIQUE CONSORTIUM PTE. LTD.
  - 35% UNIQUE COMMERCIAL PTE. LTD.
  - 35% MERGUI DEVELOPMENT PTE. LTD.
  - 32% RESIDENZA PTE. LTD.
  - 30% WEALTH DEVELOPMENT PTE. LTD.
  - 30% UNIQUE RESI ESTATE PTE. LTD.
  - 25% UNIQUE REALTY PTE. LTD.
  - 25% UNIQUE CAPITAL PTE. LTD.
  - 25% PHILEAP PTE. LTD.
  - 25% GREAT DEVELOPMENT PTE. LTD.
  - 20% UNIQUE WELLNESS PTE. LTD.
  - 50% UNIQUE RESIDENCE PTE. LTD.
    - 40% FERNVALE DEVELOPMENT PTE. LTD.
- 100% KSH OVERSEAS PTE. LTD.
  - 100% DUFORD INVESTMENT (HONG KONG) LIMITED
    - 45% BEIJING JIN HUA TONG DA REAL ESTATE DEVELOPMENT CO., LTD
  - 69% TIANJIN TIAN XING PROPERTY MANAGEMENT CO., LTD.
  - 69% TIANJIN TIAN XING REAL ESTATE DEVELOPMENT CO., LTD
- 100% KSH PROPERTY DEVELOPMENT PTE. LTD.
- 100% KSH PROPERTY INVESTMENT PTE. LTD
- 100% FERRIS RISE PTE. LTD.
- 100% KSH ASIA INVESTMENT PTE. LTD.
  - 40% KLANG CITY DEVELOPMENT PTE. LTD.
  - 34.70% IMPERIAL SOUTH EAST ASIA INVESTMENT PTE. LTD.
- 100% KSH COMMERCIAL INVESTMENT PTE. LTD.
  - 28% EPIC LAND PTE. LTD.
- 100% KSH CAPITAL PTE. LTD.

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

"KSH marked several milestones this year with its maiden entries into the Australia and United Kingdom real estate markets by working with local partners that possess strong local knowledge and experience as well as access to a large local network".

Dear Shareholders,

KSH has continued to break new grounds as we execute our rebalancing strategy, both by business segment and geographically, throughout the financial year ended March 31, 2015 ("FY2015").

The Group has continued to build upon its strengths and sturdy fundamentals – strong working relationship with joint-venture ("JV") partners and business network; strong construction track record; healthy balance sheet and low receivables risks; cost competitiveness and a strong, experienced management team – to support and seek opportunities in both Singapore and new markets overseas.

Amidst rising costs in the challenging construction sector and a slowdown in the local real estate market brought about by several rounds of cooling measures, we have set our sights on real estate markets abroad that offer favourable returns, while monitoring and prudently pursuing property development and investment projects in the Singapore market.

Despite the challenges, I am pleased to report a commendable FY2015 revenue of S$246.1 million and net profit attributable to owners of the company of S$41.7 million, albeit a dip from S$292.0 million and S$44.8 million, respectively, a year ago ("FY2014").

RESILIENT CORE CONSTRUCTION BUSINESS

Construction remains the Group's core business, contributing 97.5% or S$239.9 million to FY2015 revenue. The Singapore Building and Construction Authority ("BCA") estimated that construction in 2015 will remain robust at between S$29.0 billion and S$36.0 billion, buoyed by strong public sector demand. We've so far seen a stronger first quarter of 2015, expanding 3.1% on a year-on-year basis according to latest statistics by the Ministry of Trade and Industry Singapore.

Leveraging on our strong construction track record accumulated over 36 years, KSH has won several landmark building contracts during the year under review. This includes the S$78.2 million Singapore Chinese Cultural Centre project in Shenton Way and a S$147.83 million contract to build an integrated community building

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

in Bedok North. Subsequent to the year-end, we were also awarded a S$33.25 million contract in April 2015 from third-time repeat customer, the National University of Singapore, to build a new 3-storey sports centre. This is a strong testament of our capabilities and strengths that we believe will aid us in riding out the industry challenges well.

Meanwhile, our ongoing construction projects – such as NEWest, King Albert Park mixed-use development and United World College in Singapore, as well as Liang Jing Ming Ju Phase Four - Sequoia Mansion in Beijing, China are progressing well on schedule.

Our construction order book in Singapore – which remained strong at above S$420.0 million as at April 20, 2015 – will continue to contribute positively to the Group's financial performance over the next few years. Going forward, the management strives to ride on the stronger construction growth this year, tendering for both public and private construction projects, while embracing technology, innovation and workers' training to mitigate the tightening of manpower supply and responding to the government's call for higher productivity through various grants.

Singapore Chinese Cultural Centre

A GEOGRAPHICALLY - DIVERSIFIED REAL ESTATE PORTFOLIO

With a strong background in construction, we are able to offer value-added services and reap synergies while carrying out property development projects. This gives KSH differentiated value that our joint venture partners appreciate, allowing us to build strong strategic alliances and capitalise on attractive opportunities both in Singapore and abroad.

Although private residential property prices have decreased 1.0% in the first quarter of 2015, according to the latest statistics released by the Urban Redevelopment Authority on April 24, 2015, we believe there are still pockets of good opportunities waiting to be uncovered in the real estate sector.

In August 2014, the Group and its partners had successfully bid for two land parcels along Fernvale Road in Sengkang, Singapore, zoned for residential development. KSH took on a 20.0% stake in this project to be developed into 1,400 residential units and a childcare centre.

KSH marked several milestones this year with its maiden entries into the Australia and United Kingdom real estate markets by working with local partners that possess strong local knowledge and experience as well as access to a large local network.

Together with a consortium of investors, KSH took on a stake to co-develop a mixed-use asset in Fortitude Valley, a kilometre from Brisbane's central business district in Australia. The development – one of the tallest in the vicinity –

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

MUH

consists of two residential towers and a 23-storey hotel poised to benefit from Australia's strong tourism outlook. Separately, the Group took on a 10.0% stake in its first project in the U.K. market in April 2015 to redevelop a freehold hotel asset two minutes away from Hammersmith Underground Station in London into serviced apartments. The Group believes that these centrally-located properties will create new recurring income streams that will contribute positively to the Group's revenue.

As part of the Group's strategy to earn recurring income through yield-accretive property investments, KSH and a consortium of investors acquired a 92.8% stake in Grade A office development, Prudential Tower in Raffles Place, which has so far enjoyed close to full occupancy and will continue to generate positive rental income given its prime location. The Group's 69.0%-owned investment in 36-storey retail and office complex in Tianjin, PRC – Tianxing Riverfront Square – has sold approximately 40.0% of its office units, leased out the remaining unsold units and shopping podium, achieving high occupancy rates of 90.0%.

ATTRACTIVE DIVIDENDS

To share the fruits of labour with our faithful shareholders, we are pleased to propose a final dividend of 1.50 Singapore cents per share, on top of an interim cash dividend of 1.25 Singapore cents per share distributed earlier this year, bringing total dividend distributed in FY2015 to 2.75 Singapore cents per share, equivalent to a 5.3% yield, as at May 29, 2015.

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Sequoia Mansion

IN CLOSING

We will continue to build on our strengths to grow our core construction business and manage costs by driving greater productivity and efficiencies through adoption of technology and innovation. We will also prudently pursue property development projects in Singapore, deepening our footprint both locally and in overseas markets, while exploring opportunities together with our JV partners in new geographies. We will also seek investment properties with potential for capital gains that will contribute positive recurring income to the Group and enhance shareholder value.

APPRECIATION

I would like to express my gratitude to the management team for their service, lending their deep experience to our businesses. I am also proud that we have a pool of long-serving and committed staff of engineers, quantity surveyors and site co-ordinators that supports our management team.

We are also very privileged to have a Board with such varied and complementing expertise, which has provided invaluable guidance to the Group. I would also like to thank our shareholders, customers, suppliers, partners and stakeholders for your faithful support, allowing us to maintain our growth momentum while striving towards higher growth.

I look forward to your support as we continue to pursue construction opportunities and build our property development business in Singapore while exploring other opportunities abroad.

Choo Chee Onn
Executive Chairman and Managing Director

June 26, 2015

执行主席
兼董事经理
致词

各位股东，

金成兴通过我们的业务组合调整策略成功的在截至2015年3月31日的财政年度（“2015财年”）里继续在各业务及区域上取得新突破。

集团继续凭借着我们的优势和坚固基础 – 包括与合资伙伴良好的工作关系及业务网络、在建筑行业的良好往绩记录、稳健的资产负债表和低应收账款风险、成本竞争力以及强大和经验丰富的管理团队 – 支持并寻求在新加坡和新海外市场的商机。

由于面对成本上涨且具有挑战性的建筑业以及经过接连出台降温措施后而放缓的本地房地产市场，我们把目光投向能够提供良好回报的海外房地产市场，同时也继续保持对新加坡市场的关注，审慎地寻求房地产开发及投资项目。

尽管面临挑战，本人欣然报告集团在2015财年录得了可称誉的业绩，收入达2亿4, 610万新元而股东应占益利达4,170万新元，略低于去年同期（“2014财年”）所录得的2亿9, 200万新元与4, 480万新元。

具韧性的核心建筑业务

建筑仍然是集团的核心业务，在2015财年贡献了97.5%或2亿3,990万新元的收入。新加坡建设局估计建筑业于2015年新加坡将持续活跃，受强大的公共领域建筑需求提振，合同总额估计将介于290亿新元至360亿新元。根据新加坡贸易和工业部的最新统计数据，我们迄今为止已在2015年见到了更为强劲的第一季度，与去年同期相比取得了3.1%的增长。

凭借我们在过去36年累积起的强大往绩记录，金成兴在回顾年里获得多项具有标志性的建筑合同。这包括价值7,820万新元，位于珊顿道的新加坡华族文化中心项目和价值1亿4,783万新元的勿洛北综合社区建筑项目。我们也于2015年4月第三度自重复客户 – 新加坡国立大学 – 手中取得价值3,325万新元的合同，建造一栋新的三层楼体育中心。这是对我们能力及优势的强力证明而我们也相信这将帮助我们渡过行业的寒冬。

与此同时，我们正在进行中的建设项目包括在新加坡的NEWest、阿尔柏王园综合用途发展项目和东南亚联合世界学院以及在中国北京的靓景明居四期 – 红衫公馆 – 都如期进展顺利。

截至2015年4月20日，我们在新加坡的建筑合同订单仍然保持强劲，总额逾4亿2,000万新元，将继续在未来几年为集团的财务表现带来贡献。展望未来，管理层致力于凭借今年强劲的建筑增长以竞标公共及私人领域的建筑项目。同时，我们将运用科技创新以及员工培训以应对人力供应紧缩及利用政府推行提高生产力的各种补贴。

地理多元化的房地产组合

我们在建筑方面的丰富经验使我们能够提供增值服务并在开展房地产发展项目时取得协同效应。这给予金成兴能令合资伙伴们赞赏的差异化价值，也使我们能够建立强大的战略联盟并在新加坡和国外把握具吸引力的机遇。

虽然据新加坡市区重建局2015年4月24日的最新统计，私宅物业市场价格在今年第一季度下跌1.0%，但我们相信本地房地产业仍有机可乘。

在2014年8月，本集团与伙伴们成功的在新加坡标得两块介于盛港芬维尔路并规划为住宅项目的地块。此项目将发展为1,400个住宅单位及一间托儿中心，金成兴则持有此项目20%权益。

金成兴今年创下了多个里程碑。通过与拥有强大的当地知识、经验与业务网络的当地合作伙伴，我们首次打入澳大利亚和英国的房地产市场。

金成兴连同财团投资者共同发展一块位于富特迪谷并距离澳大利亚布里斯班中央商业区一公里的综合用途产业。此项目是周边最高的建筑物之一并包括两栋住宅塔楼和一座楼高23层并将受惠于旅游业蓬勃前景的酒店。此外，集团在2015年4月以10.0%权益承担了集团在英国市场的首个项目 – 重建一栋距离伦敦汉默史密斯地铁站两分钟的永久业权酒店物业为服务式公寓。集团相信这些位处市中心的物业将会为集团的收入带来新的可持续收入流。

作为集团透过可带来增进收益的物业投资以赚取续生收益战略的一部分，金成兴与财团投资者收购了坐落于莱佛士坊的甲级办公楼，保诚保险大楼的92.8%权益。此楼盘迄今为

执行主席兼董事经理致词

止几近全部租出并会因其优越的位置继续带来良好的租金收入。集团持有其69.0%权益的36层楼高零售及办公大楼 – 天星河畔广场 – 已售出了约40%的办公单位并租出了余下未售出的单位和裙楼商场，以此录得90%的占用率。

有吸引力的股息
为了与各位忠实股东分享成果，我们欣然拟议派发每股1.50新加坡分的末期股息。连同已派发的每股1.25新加坡分中期股息，2015财年的总股息为每股2.75新加坡分，截至2015年5月29日的股息收益率相等于5.3%。

闭幕词
最后，我们将继续巩固集团的实力以发展我们的核心建筑业务和更为采纳科技创新以推动生产力和效率，并以此施行成本管理。我们也将谨慎的在新加坡寻求房地产开发项目、扩展我们在海内外市场的足迹并同时与合资伙伴们在新地域探索新机遇。我们也会寻找具资本收益潜力，能为集团带来续生收益和提升股东价值的投资物业。

致谢
本人借此机会对管理层的服务，并将其资深经历借力于开发我们的业务，致以由衷的感谢。本人也很自豪我们的管理层能得到一队长期奉献且坚守岗位的工程师、工料测量师和现场协调员等优秀工作团队的协助。

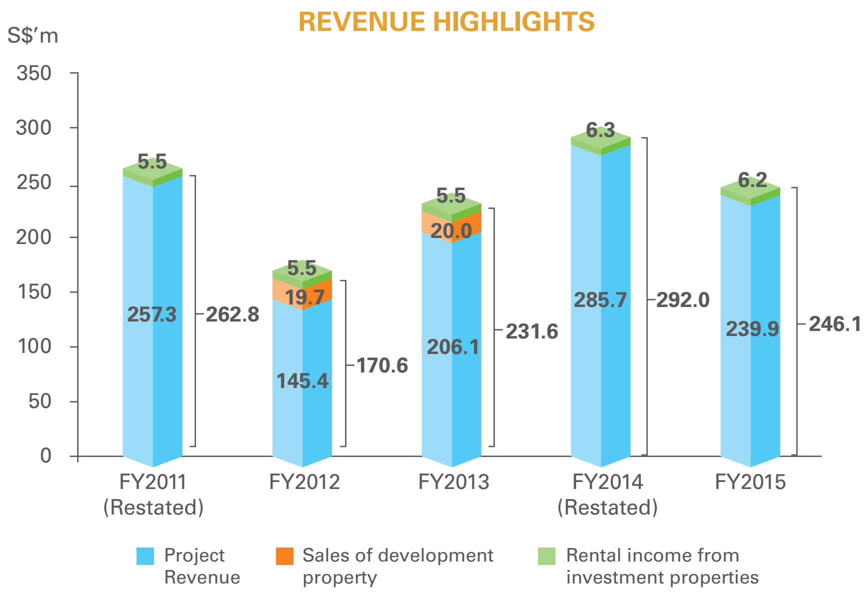
我们也很荣幸能拥有具备多元化及互补性专业知识的董事会，为集团给予了宝贵的指导。本人也要感谢我们的股东、客户、供应商、伙伴以及其他利益相关者的忠实支持。您的支持使我们能够保持我们的增长势头并同时努力实现更大幅度的增长。

在我们继续在新加坡追寻新建筑商机、建立本地的房地产开发业务和在海外探寻其它机遇的同时，本人由衷的期待着您一如既往的支持。谢谢。

朱峙安
执行主席兼董事经理

2015年6月26日

REVIEW OF FINANCIALS AND OPERATIONS



Amidst challenging macro conditions, the Group reported revenue of S$246.1 million for FY2015, representing a 15.7% slip from S$292.0 million in FY2014. The decrease was mitigated by a commendable 38.6% rise in Other Operating Income to S$13.1 million from S$9.4 million in FY2014, lifted by an increase in interest income amounting to S$7.3 million.

The construction business segment remained the Group's largest revenue driver, contributing 97.5% of the Group's FY2015 revenue while the property development and management segment contributed the remaining 2.5%.

Due to rising costs in the local construction sector and a slowdown in the Singapore real estate market brought about by several rounds of cooling measures, the Group reported a slight 16.0% decrease in construction revenue to S$239.9 million in FY2015 from S$285.7 million in FY2014, and a lower property development and management turnover of S$6.2 million compared to S$6.3 million a year ago.

Share of results of associates and joint ventures also decreased 6.7% to S$26.3 million due to lesser sales and percentage-of-completion revenue recognised on the Singapore development projects that had been completed during FY2015, mitigated by an increase in profit recognition from the progress in ongoing development projects and new rental income from the investment in Prudential Tower.

In tandem with the lower top line, cost of construction and tax expense decreased by 17.4% and 13.4%, respectively. As a result of increase in foreign levies, CPF contribution, salaries and allowances, personnel expenses rose 21.5%, partially offset by savings in workers' accommodation costs of S$0.4 million with the completion of a workers' dormitory. Finance costs increased by 90.5% to S$6.1 million in FY2015 due to the term notes issued in November 2013 and increase in interest rates.

As a result of the above, the Group reported net profit attributable to owners of the company ("net profit") of S$41.7 million, a 7.0% decrease from S$44.8 million in FY2014.

The Group employs prudent capital management and is proud to maintain a healthy balance sheet that will further buttress the Group for its current and future growth plans. As at March 31, 2015, the Group has a healthy working capital, with net current assets of S$40.8 million and cash and cash equivalents of S$79.1 million. Shareholders' equity grew to S$253.3 million as at March 31, 2015, from S$217.3 million a year ago.

Concurrently, the Group has a healthy debt coverage and low gearing – its net borrowing and debt stood at S$1.12 million as at March 31, 2015, with low net debt-to-equity ratio of 0.004 time.

Based on an issued share capital of 412,716,307 shares as at March 31, 2015, the Group reported fully-diluted earnings per share of 10.09 Singapore cents, and net asset value per share of 61.37 Singapore cents.

CONSTRUCTION

Anticipating that the rising construction cost is going to persist due to tightening of manpower policies, increasingly stringent regulatory controls, rising construction materials and operating costs, the Group strives to manage costs effectively through strengthening of relationships with sub-contractors and suppliers to obtain better credit terms, as well as taking advantage of the governments' numerous grants to encourage higher adoption of technology and innovation to reduce reliance on manpower while increasing productivity.

Leveraging on KSH's BCA accreditations and strong track record, the Group has achieved a robust construction order book of above S$420.0 million as at April 20, 2015, lifted by several new projects secured such as the S$78.2 million contract to build the Singapore Chinese Cultural Centre and the S$33.25 million contract to construct the new Sports Centre at the National University of Singapore. The Group will continue to aggressively tender for both public and private construction projects to grow its order book and revenue.

Ongoing Construction Projects	Value (S$'Million)	Project Type
Q bay Residences	142.28	Residential
NEWest Development	98.94	Mixed Development
United World College	42.50	Institution
KAP & KAP Residences	76.89	Mixed Development
Community Building at Bedok North	147.83	Integrated Complex
Singapore Chinese Cultural Centre	78.24	Institution
Sports Centre Building at the National University of Singapore	33.25	Institution

REVIEW OF FINANCIALS AND OPERATIONS

REAL ESTATE

PROPERTY DEVELOPMENT

Despite a lukewarm residential sector, the Group is pleased that most of its residential and mixed-use development properties have been completely or substantially sold at prices within or above expectations, and will continue to contribute to the Group's performance progressively.

Development Projects Launched		Group's Stake	Location	Type
SINGAPORE				
1	Lincoln Suites	25%	Novena	Residential
2	Cityscape@Farrer Park	35%	Mergui Road	Residential
3	The Boutiq	35%	145 Killiney Road	Residential
4	Rezi 26	45%	Lorong 26, Geylang	Residential
5	The Palacio	32%	Lorong M, Telok Kurau Road	Residential
6	Sky Green	25%	MacPherson Road	Residential
7	NEWest	12.25%	West Coast Way	Mixed Residential and Commercial
8	KAP & KAP Residences	12.6%	King Albert Park	Mixed Residential and Commercial
9	FloraVille, Flora Vista & Floraview	12.25%	Yio Chu Kang	Mixed Residential and Commercial
10	Trio	35%	Sam Leong Road	Commercial
11	Rezi 3TWO	45%	Lorong 32, Geylang	Residential
12	Hexacube	30%	No.160 Changi Road	Commercial
PEOPLE'S REPUBLIC OF CHINA				
1	Sequoia Mansions – Liang Jing Ming Ju Phase 4	45%	Beijing	Mixed Residential and Commercial

REVIEW OF FINANCIALS AND OPERATIONS

Apart from these projects, the Group has taken on a 20.0% stake for the development of two land parcels along Fernvale Road in Sengkang, Singapore, into 1,400 residential units and a childcare centre.

In line with the Group's diversification strategy, KSH has entered into the Australia and United Kingdom real estate markets for the first time, taking a stake in the development of centrally-located operational hospitality assets in Brisbane and London, respectively, that will create new recurring income streams contributing positively to the Group's revenue, with potential capital gains following the execution of asset enhancement initiatives.

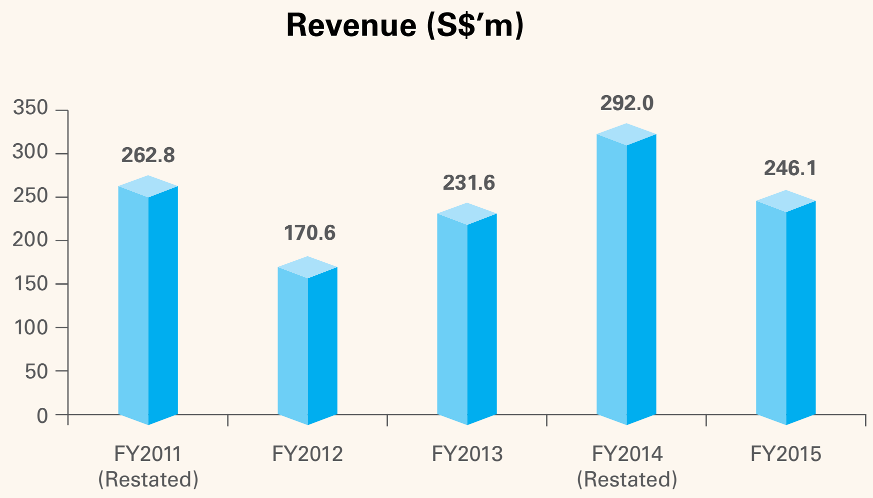
PROPERTY INVESTMENT

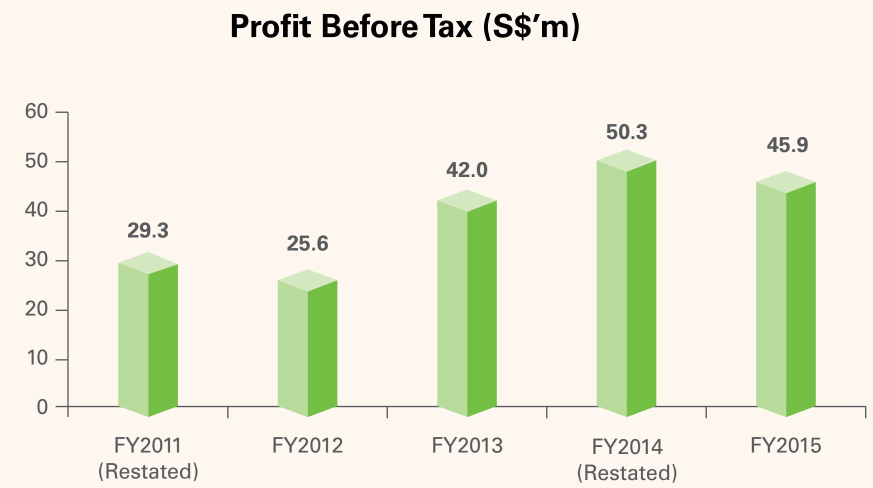
KSH's recent investment in Grade-A office building, Prudential Tower in Raffles Place, has started to contribute positive rental income to the Group's performance and has so far enjoyed close to full occupancy due to its prime location. Apart from recurring rental income, the Group hopes to earn capital gains with the strata sales of the 30-storey development.

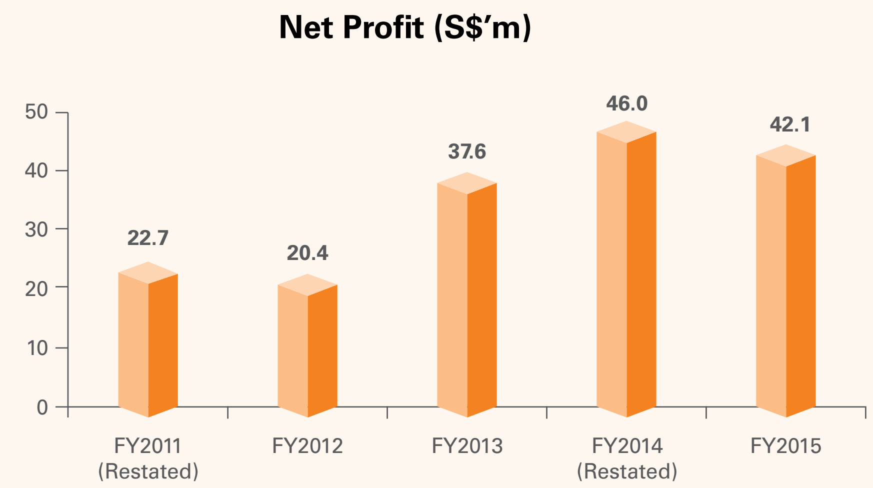
Meanwhile, in Tianjin, PRC, the Group has sold about 40.0% of office units in its 69.0%-owned 36-storey retail and office complex investment in Tianxing Riverfront Square. The Group has also leased out the remaining unsold office units and shopping podium, thereby achieving high occupancy rates of 90.0%.

Barring unforeseen circumstances, the Group is cautiously optimistic about the outlook of its performance in FY2016.

FINANCIAL HIGHLIGHTS

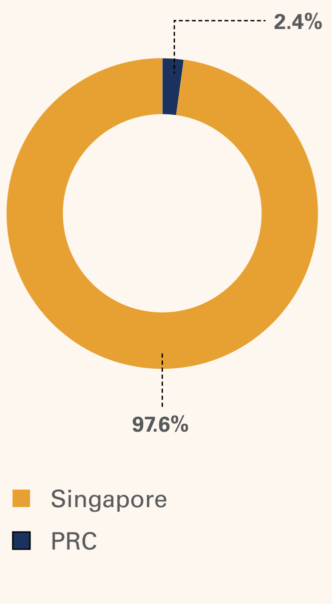




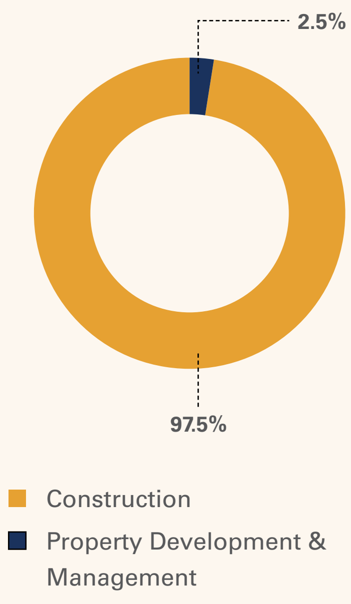


FINANCIAL HIGHLIGHTS

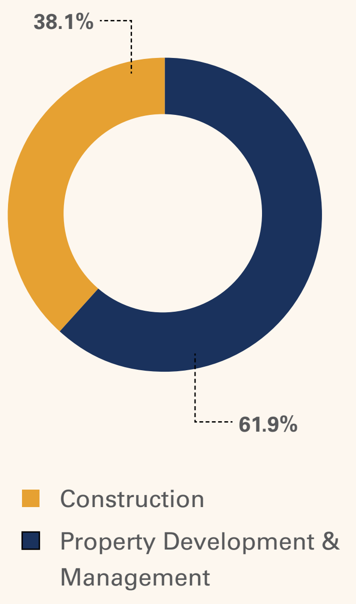
Revenue by geographical segment (FY2015)



Revenue by business segment (FY2015)



Profit before tax by business segment (FY2015)



S$'m	FY2011 (Restated)	FY2012	FY2013	FY2014 (Restated)	FY2015
Balance Sheet Highlights					
Shareholders' Equity	125.0	139.1	180.4	217.3	253.3
Net Current Assets	46.9	35.8	32.7	62.0	40.8
Net Tangible Assets	144.2	160.3	202.3	238.8	277.0
Efficiency					
Return on Asset (%)	6.3	6.1	9.6	9.7	8.4
Return on Equity (%)	15.7	12.7	18.6	19.2	15.2
Healthy Debt Coverage					
Net Debt to Equity (x)	0.02	0.13	0.04	(0.09)	0.004
Interest Cover (x)	15.4	18.9	28.7	17.3	8.6

BOARD OF DIRECTORS & MANAGEMENT

1. MR. CHOO CHEE ONN, ***Executive Chairman and Managing Director***, is one of the founders of the Group. Mr. Choo was appointed to the Board on March 9, 2006 and plays a vital role in charting the corporate direction of the Group. He is responsible for the overall management, strategic planning and business development of the Group, and oversees all key aspects of the Group's operations, including the tendering process of the Group's construction projects. He is also responsible for identifying and securing new projects for the Group. In addition, Mr. Choo also oversees the Group's overseas investments and operations, particularly the Group's property development business in the PRC. Mr. Choo has over 40 years of experience in the construction and property development businesses. As one of the Group's founders, Mr. Choo was instrumental in laying the Group's early foundations and has been pivotal in the development of the Group and its expansion into the PRC. He is a full member of the Singapore Institute of Directors.

2. MR. LIM KEE SENG, ***Executive Director and Chief Operating Officer***, is one of the founders of the Group. Mr. Lim was appointed to the Board on March 22, 2006 and was last re-elected on July 25, 2014. Currently, he oversees the entire Construction function and business operations of the Group. Since he founded a construction business in 1974 together with, inter alia, the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Tok Cheng Hoe, Mr. Lim has accumulated over 40 years of experience in the construction and construction-related businesses, including property development, and has been instrumental in the development and growth of the Group. He is a full member of the Singapore Institute of Directors.

3. MR. TOK CHENG HOE, ***Executive Director, Project Director and QEHS Director***, is one of the founders of the Group. Mr. Tok was appointed to the Board on March 22, 2006 and was last re-elected on July 25, 2014. As a Project Director, Mr. Tok is responsible for the management and execution of construction projects. Mr. Tok also oversees the functions of QEHS (Quality Environment Health & Safety) of the construction projects carried out by the Group. Since he founded a construction business in 1974 together with, inter alia, the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Lim Kee Seng, Mr. Tok has accumulated over 40 years of experience in the construction and construction-related businesses, including property development, and has been instrumental in the development and growth of the Group. He is a full member of the Singapore Institute of Directors.

4. MR. KWOK NGAT KHOW, ***Executive Director and QAQC Director***, was appointed to the Board on March 22, 2006 and was last re-elected on July 27, 2012. Mr. Kwok is assisting in the functions of tendering for construction projects and also oversees the functions of QAQC (Quality Assurance and Quality Control) of the construction projects carried out by the Group. Mr. Kwok has more than 40 years of experience in construction and construction-related businesses, including property development, and has been instrumental in the development and growth of the Group. He is a full member of the Singapore Institute of Directors.

5. MR. LIM YEOW HUA @ LIM YOU QIN, ***Lead Independent Director***, was appointed to the Board on December 18, 2006 and was last re-elected on July 27, 2012. He is currently the Managing Director of Asia Pacific Business Consultants Pte. Ltd., a Singapore company providing tax and business consultancy services. Mr. Lim has more than 28 years of experience in the tax, financial services and investment banking industries. Prior to founding Asia Pacific Business Consultants Pte. Ltd., he had held several management positions in various organisations including senior regional tax manager with British Petroleum ("BP"), director (Structured Finance) at UOB Asia Ltd, senior tax manager at KPMG, senior vice president (Structured Finance) at Macquarie Investment Pte Ltd., senior tax manager at Price Waterhouse and deputy director at the Inland Revenue Authority of

BOARD OF DIRECTORS & MANAGEMENT

Singapore. Mr. Lim holds a Bachelor's Degree in Accountancy and a Master's Degree in Business Administration from the National University of Singapore. He is a fellow member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals. He is also a full member of the Singapore Institute of Directors.

6. MR. KHUA KIAN KHENG IVAN, ***Independent Director***, was appointed to the Board on December 18, 2006 and was last re-elected on July 26, 2013. He is the Executive Director of Hock Leong Enterprises Pte. Ltd., an oil and gas related servicing company where his responsibilities include overseeing the company's financial, administrative, human resource and business development aspects. From 2000 to 2001, he was a Research Officer at Rider Hunt Levett & Bailey, where he was involved in the research of various aspects of quantity surveying and the cost management of the company's quantity surveying services. From 2001 to 2004, he was a Manager with RHLB Terotech Pte. Ltd., where he provided property and infrastructure asset management consultancy services. Mr. Khua holds a Diploma in Building (with Merit) from Singapore Polytechnic and a Bachelor's Degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is a member of the Singapore Institute of Arbitrators, and an associate of the Singapore Institute of Building. He is a member of the Singapore Polytechnic - School of Architecture and the Built Environment Advisory Committee. He is a full member of the Singapore Institute of Directors.

7. MR. KO CHUAN AUN, ***Independent Director***, was appointed to the Board on August 5, 2013 and was last re-elected on July 25, 2014. He is currently the Executive Director of KOP Limited, formerly known as Scorpio East Holdings Ltd., a company with businesses that encompass both the property and entertainment industries. Mr. Ko also holds chairmanships and directorships in various private and public companies. Mr. Ko was appointed as an Independent Director of Super Group Ltd, San Teh Ltd and Koon Holdings Ltd. Mr. Ko has more than 15 years of working experience with the Trade Development Board of Singapore ("TDB") (now known as the International Enterprise Singapore or IE Singapore). His last appointment with TDB was Head of China Operations. In the past 20 years, Mr. Ko has been very actively involved in business investments in the PRC. In 2001, he was appointed as the Steering Committee Member of the Network China. Between 2003 to 2005, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade and Investment Committee. Mr. Ko holds a Diploma in Export Marketing, which is equivalent to the Danish Niels Brock International Business Degree Program.

MANAGEMENT

MR. TANG HAY MING TONY, ***Chief Financial Officer,*** was promoted to his current post in December 2006. He is responsible for the Group's finance, accounting and reporting functions as well as the overall financial risk management of the Group. He has several years of experience in auditing, accounting, taxation and financial management before he joined the Group in August 1999. He holds a Bachelor's Degree in Accountancy from the Nanyang Technological University, a Graduate Diploma in Business Administration from the Singapore Institute of Management and a Master's Degree in Business Administration from the University of Adelaide, Australia. He is a fellow member of the Institute of Singapore Chartered Accountants and a full member of the Singapore Institute of Directors.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:
Choo Chee Onn
(Executive Chairman and Managing Director)
Lim Kee Seng
Tok Cheng Hoe
Kwok Ngat Khow

INDEPENDENT DIRECTORS:
Lim Yeow Hua @ Lim You Qin
(Lead Independent Director)
Khua Kian Kheng Ivan
Ko Chuan Aun

AUDIT & RISK COMMITTEE
Lim Yeow Hua @ Lim You Qin (CHAIRMAN)
Khua Kian Kheng Ivan
Ko Chuan Aun

NOMINATING COMMITTEE
Khua Kian Kheng Ivan (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Ko Chuan Aun

REMUNERATION COMMITTEE
Ko Chuan Aun (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Khua Kian Kheng Ivan

AUDITOR
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge: Lim Tze Yuen
(since financial year ended 31 March 2015)

JOINT COMPANY SECRETARIES
Tang Hay Ming Tony
Ong Beng Hong (LLB (Hons))

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
(a member of Boardroom Limited)
50 Raffles Place #32-01 Singapore Land Tower
Singapore 048623

PRINCIPAL BANKERS
Industrial and Commercial Bank of China Limited
Citibank, N.A.
Development Bank of Singapore
The Bank of East Asia, Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

REGISTERED OFFICE
36 Senoko Road
Singapore 758108

INVESTOR RELATIONS
Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street #02-01/02
Singapore 048914
Email : dolores.phua@citigatedrimage.com /
amelia.lee@citigatedrimage.com
KSH contact: mainoffice@kimsengheng.com.sg

FINANCIAL CONTENTS

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2015

KSH Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to achieving a high standard of corporate governance in line with those set out in the Code of Corporate Governance 2012 ("the **Code**"). Good corporate governance establishes and maintains a legal and ethical environment, which helps to preserve and enhance the interests of all shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code.

(A) BOARD MATTERS

The Board's Conduct of its 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 success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

Role of the Board of Directors (the "Board")

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the corporate strategies of the Group, sets directions and goals for the Management. It supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The principal duties of the Board include the following:

(i) protecting and enhancing long-term value and return to the Company's shareholders ("**Shareholders**");

(ii) establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;

(iii) ensuring the effectiveness and integrity of management;

(iv) chartering the corporate strategy and direction of the Group and setting goals for the Management;

(v) supervising and monitoring the Management's achievement of these goals;

(vi) conducting periodic reviews of the Group's financial performance, internal controls and reporting compliance;

(vii) approving nominations to the Board and appointment of key personnel;

(viii) ensuring the Group's compliance with all relevant and applicable laws and regulations;

(ix) assuming responsibility for the corporate governance of the Group;

(x) setting the values and standards for the Group, and ensure that obligations to Shareholders and others are understood and met; and

(xi) establishing a framework of prudent and effective controls which enables risks to be assessed and managed.

The Board has formed a number of Board Committees, namely the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee to assist in carrying out and discharging its duties and responsibilities efficiently and effectively. As at the date of this Annual Report, the Audit Committee has been renamed the Audit and Risk Committee so as to more accurately reflect that the duties of the Audit and Risk Committee include the oversight of risk management and risk-related matters of the Group.

These Board Committees function within clearly defined terms of references and operating procedures. The Board accepts that while these Board committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the entire Board.

The Executive Directors also supervise the management of the business and affairs of the Company and reduces the administrative time, inconvenience and the expenses associated with the convening of meetings of the Board and circulation of resolutions in writing of the Board, without compromising the Group's corporate objectives and adversely affecting the day-to-day operations of the Company.

However, meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which require the Board's approval, including but not limited to the following:

(i) review of the annual budget and the performance of the Group;

(ii) review of the key activities and business strategies;

(iii) approval of the corporate strategy and direction of the Group;

(iv) approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person transactions;

(v) material acquisitions and disposals;

(vi) corporate or financial restructuring and share issuances;

(vii) declaration of dividends and other returns to shareholders; and

(viii) appointments of new Directors or key personnel.

A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has been adopted by the Board.

Board meetings are conducted regularly at least once every quarter and ad-hoc meetings (including but not limited to the meetings of the Board Committees) are convened whenever a Director deems it necessary to address any issue of significance that may arise. In addition to holding meetings, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2015:

	BOARD MEETING	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	4	4	1	1
Choo Chee Onn	4	-	-	-
Tok Cheng Hoe	4	-	-	-
Lim Kee Seng	4	-	-	-
Kwok Ngat Khow	4	-	-	-
Lim Yeow Hua @ Lim You Qin	4	4	1	1
Khua Kian Kheng Ivan	4	3	1	1
Ko Chuan Aun	4	4	1	1

While the Board considers Directors' attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. It also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

Generally, a newly-appointed Director will be given an orientation to familiarise him/her with the Group's business and governance practices and he/she will also be briefed on the duties and obligations of a director of a listed company.

The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors to the Company. The Company will bear the costs of such seminars and training courses attended by the Directors.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement 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.

As at the date of this Annual Report, the Board comprises seven (7) Directors, of whom four (4) are Executive Directors and three (3) are Independent Directors. The list of Directors is as follows:

Mr Choo Chee Onn	(Executive Chairman and Managing Director)
Mr Kwok Ngat Khow	(Executive Director)
Mr Tok Cheng Hoe	(Executive Director)
Mr Lim Kee Seng	(Executive Director)
Mr Lim Yeow Hua @ Lim You Qin	(Lead Independent Director)
Mr Khua Kian Kheng Ivan	(Independent Director)
Mr Ko Chuan Aun	(Independent Director)

The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

The criterion for independence is based on the definition given in the Code. The Board considers an "Independent" Director as one who has no relationship with the Company, its related companies or Officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement of the conduct of the Group's affairs. The Board has identified each of the Company's Independent Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

The Independent Directors meet at least once annually without the presence of the other Directors and the Management and where necessary, the Lead Independent Director provides feedback to the Executive Chairman after such meetings.

Key information regarding the Directors is given in the "Board of Directors" section of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report on pages 39 and 41 of this annual report.

Executive Chairman and Group Managing Director

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

The Executive Chairman and the Group Managing Director is Mr Choo Chee Onn ("**Mr Choo**"). In view of Mr Choo's concurrent appointment as the Executive Chairman and Managing Director, the Board has appointed Mr Lim Yeow Hua @ Lim You Qin as the Lead Independent Director, in accordance with Guideline 3.3 of the Code. In accordance with the recommendations in the said Guideline 3.3, the Lead Independent Director is available to shareholders where they have concerns which contact through the normal channels of the Executive Chairman and Group Managing Director or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

As the Executive Chairman, Mr Choo bears responsibility for the working of the Board and, together with the Audit and Risk Committee, ensures the integrity and effectiveness of the governance process of the Board.

As the Group Managing Director, Mr Choo bears overall daily operational responsibility for the Group's business.

All major decisions made by the Executive Chairman and Group Managing Director are under the purview of review by the Audit and Risk Committee. His performance and appointment to the Board are also reviewed periodically by the Nominating Committee while his remuneration package is reviewed periodically by the Remuneration Committee. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.

Board Membership

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

As at the date of this Annual Report, the Nominating Committee ("**NC**") comprises the following three (3) Independent Non-Executive Directors:

Mr Khua Kian Kheng Ivan (Chairman)
Mr Lim Yeow Hua @ Lim You Qin (Member)
Mr Ko Chuan Aun (Member)

The NC functions under the terms of reference which sets out its responsibilities:

(a) to recommend to the Board on all Board appointments, re-appointments and re-nominations;

(b) to ensure that Independent Directors meet SGX-ST's guidelines and criteria; and

(c) to assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board.

In the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC would also review the change to be implemented and make recommendations to the Board accordingly. For the appointment of new Directors, the NC would, in consultation with the Board, examine the existing Board's strengths, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. Further to the above, the NC will take into account the future needs of the Group and, together with the Board, it will seek candidates who are able to contribute to the Group. The NC seeks candidates widely and beyond persons directly known to the existing directors. Résumés of suitable candidates are reviewed and background checks are conducted before interviews are conducted again for the short-listed candidates. The NC shall then recommend suitable candidates to the Board.

The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the directors may hold. As a guide, Directors of the Company should not have more than six listed company board representations and other principal commitments. After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

Details of the appointment of Directors including their respective dates of initial appointment and dates of last re-election and directorships in other listed companies, both current and for the preceding three years, are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies
Mr Choo Chee Onn	64	9 March 2006	Not Applicable	**Present Directorships** - **Past Directorships** -
Mr Kwok Ngat Khow	67	22 March 2006	27 July 2012	**Present Directorships** - **Past Directorships** -
Mr Tok Cheng Hoe	64	22 March 2006	25 July 2014	**Present Directorships** - **Past Directorships** -
Mr Lim Kee Seng	63	22 March 2006	25 July 2014	**Present Directorships** - **Past Directorships** -
Mr Lim Yeow Hua @ Lim You Qin	53	18 December 2006	27 July 2012	**Present Directorships** China Minzhong Food Corporation Limited Eratat Lifestyle Limited KTL Holdings Limited Oxley Holdings Limited Advanced Integrated Manufacturing Ltd **Past Directorships** Great Group Holdings Ltd
Mr Khua Kian Kheng Ivan	40	18 December 2006	26 July 2013	**Present Directorships** Moneymax Financial Services Ltd **Past Directorships**
Mr Ko Chuan Aun	57	5 August 2013	25 July 2014	**Present Directorships** Super Group Ltd KOP Limited (formerly known as Scorpio East Holdings Ltd) San Teh Ltd Koon Holdings Limited **Past Directorships** Brothers (Holdings) Limited

Further to the above, the NC reviews the independence of each of the Independent Directors annually. As part of their review process, the NC requires the Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the guidelines in the Code. The NC reviewed declaration forms executed by the Independent Directors as well as any declaration they may make to determine their respective independence. Pursuant to its review, the NC is of the view that Mr Lim Yeow Hua @ Lim You Qin, Mr Khua Kian Kheng Ivan and Mr Ko Chuan Aun are independent of the Group and the Management.

Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has served on the Board for a continuous period of more than nine (9) years. Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has demonstrated independent mindedness and conduct at the Board and Board Committee meetings. After a rigorous review on their contributions and independence by the NC, the NC is satisfied that each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has remained independent in character and judgment in discharging their duties as Directors of the Company.

The Articles of Association of the Company require one-third of the Directors to retire from office at each Annual General Meeting ("**AGM**"), except that the Managing Director is not subject to retirement by rotation nor be taken into account in determining the number of Directors to retire. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. After assessing each of their contributions and performance, the NC has recommended the re-elections of Mr Lim Yeow Hua @ Lim You Qin and Mr Kwok Ngat Khow in accordance with Article 89 of the Company's Articles of Association, at the forthcoming AGM.

Board Performance

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

The NC has established a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board. This assessment is conducted by the NC at least once a year by way of a Board evaluation where the NC completes a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Chairman of the NC will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

(i) the size and composition of the Board;

(ii) the individual Directors' contributions to the Board, including without limitation their participation at Board meetings and ability to contribute to the discussion conducted by the Board;

(iii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);

(iv) the Board's access to information;

(v) the accountability of the Board to the Shareholders; and

(vi) the performance of the Board (including the Board's performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group's business.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members 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 are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Management. The Board has unrestricted access to the Company's records and information.

Senior Management Personnel are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board Meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and to other Senior Management Personnel of the Company and of the Group at all times in carrying out their duties. The Company Secretary attends or is represented at all Board Meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board Committees' meetings are circulated to the Board and the Board Committees.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

(B) 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.

As at the date of this Annual Report, the Remuneration Committee ("**RC**") comprises the following three (3) Independent Non-Executive Directors:

Mr Ko Chuan Aun (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Lim Yeow Hua @ Lim You Qin (Member)

The RC recommends to the Board a framework of remuneration for the Directors and Key Management Personnel, and determines specific remuneration package for each Executive Director. The recommendations are submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, are covered by the RC. Each RC member abstains from voting on any resolution in respect of his remuneration package.

The RC functions under the terms of reference which sets out its responsibilities:

(a) to recommend to the Board a framework for remuneration for the Directors and Key Management Personnel of the Company;

(b) to determine specific remuneration packages for each Executive Director;

(c) to review the appropriateness of compensation for Non-Executive Directors; and

(d) to review the remuneration of employees occupying managerial positions who are related to Directors and Substantial Shareholders.

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services is borne by the Company. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company has appointed remuneration consultants, Remuneration Data Specialists Pte Ltd, for the financial year ended 31 March 2015 to provide consulting services in relation to remuneration and compensation matters.

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.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies as well as the performance of the Group as a whole and the performance of each individual director. The remuneration of Non-Executive Directors is also reviewed annually to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors.

The Directors' fees are reviewed annually and the Company submits the quantum of Directors' fees of each year to the Shareholders for approval at each AGM.

The Executive Chairman and Managing Director, Mr Choo' and the three (3) Executive Directors have service agreements. Such service agreements cover the terms of employment, salaries and other benefits. The terms of the service agreements are reviewed by the RC on an annual basis. Non-Executive Directors have no service agreements.

The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort and/or time spent, the responsibilities of the Independent Directors and the need to pay competitive fees to attract, retain and motivate the Independent Directors. The Independent Directors are not over-compensated to the extent their independence may be compromised.

Disclosure on Remuneration

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

The details of the remuneration of Directors of the Group disclosed in bands for services rendered during the financial year ended 31 March 2015 are as follows:

	Number of Directors
$1,000,000 to $1,250,000	1
$500,000 to $750,000	3
Below $250,000	3
Total	7

As at the date of this Annual Report, the Company has seven (7) Directors. Of the seven (7) Directors, four (4) are Executive Directors who together with the Company's Chief Financial Officer comprise the five (5) key management personnel of the Company. There were no other key management personnel within the Group except for the abovementioned persons for the financial year ended 31 March 2015.

Taking note of the competitive pressures in the labour market, the Board has, on review, decided not to fully disclose the remuneration of the Company's Directors and key management personnel. Details (in percentage terms) of the remuneration paid to the Directors and to the key management personnel (who is not also a Director) in bands of S$250,000 for the financial year ended 31 March 2015 are set out below:

	Salary	Bonus	Directors' Fees	Allowances and Other Benefits	Total Compensation
	%	%	%	%	%
Directors					
$1,000,000 to $1,250,000					
Choo Chee Onn	37	59	-	4	100
$500,000 to $750,000					
Lim Kee Seng	35	60	-	5	100
Kwok Ngat Khow	34	60	-	6	100
Tok Cheng Hoe	34	60	-	6	100
Below $250,000					
Lim Yeow Hua @ Lim You Qin	-	-	100	-	100
Khua Kian Kheng Ivan	-	-	100	-	100
Ko Chuan Aun	-	-	100	-	100
Key Executive of the Group[(1)]					
$250,000 to $500,000					
Tang Hay Ming Tony	42	54	-	4	100

Note:

(1) For the financial year ended 31 March 2015, Mr Tang Hay Ming Tony was the only key management personnel who is not also a director. The other key management personnel of the Group are the Executive Directors, Mr Choo Chee Onn, Mr Lim Kee Seng, Mr Tok Cheng Hoe, and Mr Kwok Ngat Khow.

Immediate Family Member of Directors or Substantial Shareholders

No employee of the Company and its subsidiaries is an immediate family member of a Director and/or a Substantial Shareholder whose remuneration exceeded S$50,000 during the financial year ended 31 March 2015.

(C) 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 accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST. The Board is mindful that one of its principal duties is to protect and enhance the long-term value and returns to the Shareholders. This accountability to the Shareholders is demonstrated through the presentation of its periodic financial statements as well as the timely announcements and news releases of significant corporate developments and activities so that the Shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

Price sensitive information is publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods.

The Management provides the Board with quarterly reports of the Group's financial performance, as well as progress reports on the achievements of the Management's goals and objectives determined by the Board. The Management also maintains close contact and communication with the Board by various means, including but not limited to holding meetings with the Board or via email in which documents are circulated to the Board for their review or for their information. The abovementioned arrangement allows the Directors to monitor the Group's performance as well as the Management's achievements of the goals and objectives determined and set by the Board.

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 acknowledges that it is responsible for the overall internal control framework, but recognises that all internal control systems contain inherent limitations and 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 Audit and Risk Committee ("**ARC**") conducts regular reviews of the adequacy and effectiveness of the Group's internal controls and risk management system, including financial, operational and compliance controls and internal controls in relation to information technology risks.

The ARC ensures that a review of the effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management, is conducted annually. In this respect, the ARC reviews the audit plans, and the findings of the Internal and External Auditors and ensures that the Company follows up on the Internal and External Auditors' recommendations raised, if any, during the audit process.

The ARC has, on behalf of the Board, reviewed the adequacy and effectiveness of the various systems put in place by the Management and it is satisfied that there are adequate internal controls and risk management systems in the Company to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

The Group has in place a system of internal controls and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding Shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the ARC.

The Board has also received assurances from the Managing Director and the Chief Financial Officer on the integrity of the financial statements of the Group and the effectiveness of the Company's risk management and internal control systems. In particular, the Board has been assured that the financial statements give a true and fair view, in all material respects, of the Group's performance and financial position as at 31 March 2015.

The Internal Auditors will review policies and procedures as well as key controls and will highlight any issues to the Directors and the ARC. Separately, in performing the audit of the financial statements of the Group, the External Auditors perform tests over operating effectiveness of certain controls that they intend to reply on that are relevant to the preparation of its financial statements. The External Auditors also report any significant deficiencies in such internal controls to the Directors and the ARC.

Action plans to manage risks are continuously being monitored and refined by Management and the Board. Any material non-compliance in internal controls together with corrective measures are reported directly to the Directors and the ARC.

Based on the internal controls and risk management systems established and maintained by the Group, reviews conducted by the External and Internal Auditors and assurance from Management, the Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls, addressing financial, operational, compliance and information technology risks, and its risk management policies and systems (notably those systems that monitor and manage financial, operating, compliance, information technology and other risks) were adequate and effective as at 31 March 2015 in its current business environment.

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

Audit and Risk Committee

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

The ARC comprises the following three (3) Independent Non-Executive Directors:

Mr Lim Yeow Hua @ Lim You Qin (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Ko Chuan Aun (Member)

The ARC meets periodically at least four times a year to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained within the Group.

The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls and risk management, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the ARC ensures that its members have the appropriate qualifications to provide independent, objective and effective supervision.

Specifically, the ARC functions under the terms of reference which sets out its responsibilities as follows:

(a) to review the audit plans of both the Internal and External Auditors;

(b) to review the Auditors' Reports and their evaluation of the Company's and the Group's system of internal controls and risk management policies and systems;

(c) to review the effectiveness and adequacy of the internal audit function which is outsourced to a professional firm;

(d) to review the co-operation given by the Company's Officers to the Internal and External Auditors;

(e) to review the financial statements of the Company and the Group before submission to the Board;

(f) to nominate and review appointment of Internal and External Auditors;

(g) to review with Auditors and Management on the general internal control procedures;

(h) to review the independence of the Internal and External Auditors; and

(i) to review interested person transactions, if any.

The ARC has the power to conduct or authorise investigations into any matters within the ARC's scope of responsibility including without limitation internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position. The ARC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. All of the members of the ARC are Independent Directors. Each member of the ARC abstains from voting on any resolutions in respect of matters he is interested in.

The ARC meets from time to time with the Group's External Auditors and the executive Management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group. The ARC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and risk management systems and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention to indicate that the system of internal controls and risk management is inadequate.

The ARC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The ARC meets with both the Internal and External Auditors without the presence of the Management at least once a year, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the Internal and External Auditors.

The ARC reviews the independence of the External Auditors, Ernst & Young LLP annually. The ARC had assessed the External Auditors based on the factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

The ARC also conducted a review of non-audit services performed by the External Auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the External Auditors. For the financial year ended 31 March 2015, the audit and non-audit fees paid to the External Auditors of the Company were S$283,500 and S$100,000 (excluding disbursements and GST) respectively.

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the ARC are of the opinion that a suitable auditing firm has been appointed to meet the Company's auditing obligations.

The Company engages different audit firms for certain of its subsidiaries or associated companies and the names of these audit firms are disclosed on page 77 of this Annual Report. The Board and ARC have reviewed the appointment of these audit firms and are of the view that the appointment of these other audit firms does not compromise the standard and effectiveness of the audit of the Company.

The ARC is satisfied that Rules 712 and 715 of the Listing Manual of the SGX-ST are complied with and has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as Auditor at the forthcoming AGM.

The Company has in place a whistle-blowing framework to provide a channel where staff of the Company can access the Human Resource Manager to raise their concerns about possible improprieties for investigation. The procedures for submission of complaints have been explained to all employees of the Group. Following investigation and evaluation of a complaint, the ARC will then decide on recommended disciplinary or remedial action, if any. The action so determined by the ARC to be appropriate shall then be brought to the Board or to the appropriate members of senior management for authorisation or implementation, respectively.

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 engaged KPMG Services Pte. Ltd. as Internal Auditors of the Group to perform internal audit work under a 3 year internal audit plan. The Internal Auditors report directly to the Chairman of ARC on all internal audit matters.

The role of the Internal Auditors is to support the ARC in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigation as directed by the ARC. The ARC approves the hiring, removal, evaluation and compensation of the Internal Auditors.

The primary functions of internal audit are to:

(a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

The Internal Auditors shall remain independent of Management and shall report directly to the Chairman of the ARC. The Internal Auditors shall be responsible for the preparation of internal audit plans to be reviewed and approved by the ARC. The Internal Auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

The Internal Auditors will submit a report of their findings to the ARC for review and approval yearly. The ARC has reviewed the said report and the Company's internal control assessment and based on the Internal Auditors' and External Auditors' reports and the system of internal controls in place, is satisfied that there are adequate and effective internal controls in the Group.

The ARC is satisfied with the adequacy and effectiveness of the current risk management function and system and will assess the same regularly.

(D) 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 Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of development in the Group in accordance with the Listing Manual of the SGX-ST.

Any notice of a general meeting of Shareholders is issued at least 14 days before the scheduled date of such meeting.

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 is committed to keeping Shareholders regularly and timely informed of material developments in the Group, in accordance with the continuous disclosure obligations of the Company pursuant to the SGX-ST Listing Manual and the Singapore Companies Act, Chapter 50. In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all Shareholders be informed of all major developments that impact the Group.

Information is disseminated to the Shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all Shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("**EGM**"); and

(e) Company's website at http://www.kimsengheng.com at which Shareholders can access information on the Group.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, the Company has been declaring dividends on an annual basis and any pay-out of dividends is clearly communicated to Shareholders via announcements released on SGXNET.

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's AGMs are the principal forums for dialogue with shareholders. The Company encourages all Shareholders to attend the AGM to grasp a good understanding of the Group's business and be informed of its strategic goals and objectives. The Board and Management are committed to an open dialogue with the Shareholders at the AGM to address the shareholders' issues, views and concerns. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meetings to answer any questions relating to the work of these committees. The External Auditors are also present to assist the Directors in addressing any relevant queries by the Shareholders.

Shareholders are encouraged to attend the AGM/EGM to ensure high level of accountability and to stay appraised of the Group's strategy and goals. Notice of the meeting is advertised in newspapers and announced on SGXNET.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are available to Shareholders upon their request. Results of the general meetings are also released as an announcement via SGXNET.

(E) DEALING IN SECURITIES

The Company has in place a policy in accordance with Rule 1207(19) of the SGX-ST Listing Manual prohibiting share dealings by Directors, executives and employees of the Company during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. Directors, executives and employees are also prohibited to deal in the Company's securities on short-term considerations, and are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2015

ADDITIONAL INFORMATION

1. Interested Person Transactions Policy

The Company adopts an internal policy in respect of any transactions with interested person and establishes procedures for review and approval of the interested person transactions entered into by the Group. The ARC reviews the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

During the financial year ended 31 March 2015, the Company did not enter into any interested person transactions of a value amounting to S$100,000 or more.

2. Material Contracts

Save as previously disclosed on SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any Director, or Controlling Shareholder for the financial year ended 31 March 2015.

3. Compliance with Listing Rule 1207(18)

The Board confirms that for the financial year ended 31 March 2015, the Company has complied with Listing Rule 1207(18).

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company for the financial year ended 31 March 2015.

Directors

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

Choo Chee Onn	Executive Chairman and Managing Director
Lim Kee Seng	Executive Director
Tok Cheng Hoe	Executive Director
Kwok Ngat Khow	Executive Director
Lim Yeow Hua @ Lim You Qin	Independent Director
Khua Kian Kheng Ivan	Independent Director
Ko Chuan Aun	Independent Director

Arrangements to enable Directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

	Direct interest	
	At the beginning of year	At the end of year
The Company		
Ordinary shares		
Choo Chee Onn	79,158,763	79,158,763
Lim Kee Seng	59,094,745	49,627,171
Tok Cheng Hoe	59,094,745	59,094,745
Kwok Ngat Khow	59,094,745	59,094,745
Lim Yeow Hua @ Lim You Qin	220,000	220,000
Khua Kian Kheng Ivan	220,000	220,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2015.

DIRECTORS' REPORT

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than emoluments received from related corporations) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Options

No options were issued by the Company during the financial year. As at 31 March 2015, there were no options on the unissued shares of the Company or its subsidiaries which are outstanding.

Audit Committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviews the audit plans of the Internal and External Auditors of the Company and reviews the Internal Auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's Management to External and Internal Auditors;
- Reviews the quarterly and annual financial statements and the Auditor's report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the Internal Auditor;
- Meets with the External Auditor, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness, independence and objectivity of the External Auditor;
- Reviews the nature and extent of non-audit services provided by the External Auditor;
- Recommends to the Board of Directors the External Auditor be nominated for re-appointment, approves the compensation of the External Auditor and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

The AC, having reviewed all non-audit services provided by the External Auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the External Auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the financial year. The AC has also met with Internal and External Auditors, without the presence of the Company's Management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

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

On behalf of the Board of Directors,

Choo Chee Onn
Managing Director

Lim Kee Seng
Executive Director

Singapore
26 June 2015

STATEMENT BY DIRECTORS

We, Choo Chee Onn and Lim Kee Seng, being two of the Directors of KSH Holdings Limited (the "Company"), do hereby state that, in the opinion of the Directors,

(i) the accompanying balance sheets, income statements, statements of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with notes thereto, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results of the business, and changes in equity of the Group and the Company and the changes in cash flows of the Group for the financial year ended on that date; and

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

On behalf of the Board of Directors,

Choo Chee Onn
Managing Director

Lim Kee Seng
Executive Director

Singapore
26 June 2015

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2015

To the members of KSH Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 45 to 124, which comprise the balance sheets of the Group and the Company as at 31 March 2015, the income statements, statements of comprehensive income, and the statements of changes in equity of the Group and the Company, and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2015

Opinion

In our opinion, the financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results, and changes in equity of the Group and the Company and the changes in cash flows of the Group for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

26 June 2015

BALANCE SHEETS

As at 31 March 2015

	Note	Group 31.3.2015 $'000	Group 31.3.2014 $'000 (Restated)	Group 1.4.2013 $'000 (Restated)	Company 31.3.2015 $'000	Company 31.3.2014 $'000
Non-current assets						
Property, plant and equipment	4	9,740	10,088	10,484	–	–
Investments in subsidiaries	5	–	–	–	16,791	57,516
Interests in associates	6	142,521	127,646	94,034	–	–
Interest in joint ventures	7	49,007	14,794	21,841	–	–
Investment properties	8	131,713	117,233	107,530	–	–
Amount due from a minority shareholder of a subsidiary (non-trade)	9	2,486	2,259	2,188	–	–
Club membership	10	42	44	47	–	–
Other investments		1	1	1	–	–
Trade receivables	13	10,290	15,418	11,286	–	–
Other receivables	11	724	–	2,793	–	–
Amounts due from subsidiaries (non-trade)	15	–	–	–	137,094	81,476
Structured deposits	12	987	1,056	1,102	–	–
		347,511	288,539	251,306	153,885	138,992
Current assets						
Trade receivables	13	48,724	32,371	27,352	–	–
Other receivables and deposits	14	1,456	1,342	2,728	23	20
Prepayments		408	415	304	64	70
Construction work-in-progress in excess of progress billings	16	6,837	13,407	8,124	–	–
Fixed deposits	17	82,431	126,297	63,091	12,063	31,228
Cash and bank balances	18	12,693	12,174	9,758	742	1,778
Inventory		2	2	1	–	–
		152,551	186,008	111,358	12,892	33,096
Current liabilities						
Trade payables	19	25,447	17,580	20,053	–	–
Other payables and accruals	20	61,165	61,071	46,106	4,402	4,433
Deferred income		306	276	55	–	–
Amount due to a Director of a subsidiary		–	–	374	–	–
Finance lease obligations		110	–	18	–	–
Provision for income tax		1,729	2,726	3,796	37	19
Progress billings in excess of construction work-in-progress	16	13,554	8,758	8,613	–	–
Bank term loans, secured	21	8,033	9,132	7,881	6,000	6,000
Bills payable to banks, secured	22	1,438	24,466	41,959	–	–
		111,782	124,009	128,855	10,439	10,452
Net current assets/(liabilities)		40,769	61,999	(17,497)	2,453	22,644

BALANCE SHEETS

As at 31 March 2015

	Note	Group 31.3.2015 $'000	Group 31.3.2014 $'000 (Restated)	Group 1.4.2013 $'000 (Restated)	Company 31.3.2015 $'000	Company 31.3.2014 $'000
Non-current liabilities						
Amounts due to subsidiaries (non-trade)	15	–	–	–	4,444	1,887
Trade payables	19	3,628	7,792	3,885	–	–
Other payables and accruals	20	339	543	177	–	–
Finance lease obligations		434	–	–	–	–
Bank term loans, secured	21	11,796	10,892	10,392	–	–
Term notes, unsecured	23	74,432	73,931	–	74,432	73,931
Deferred tax liabilities	32	20,690	18,604	17,065	–	–
		111,319	111,762	31,519	78,876	75,818
Net assets		276,961	238,776	202,290	77,462	85,818
Equity attributable to owners of the Company						
Share capital	24	50,915	50,915	50,915	50,915	50,915
Treasury shares	25	(851)	–	–	(851)	–
Translation reserve	26	9,500	1,848	(269)	–	–
Accumulated profits		190,686	161,461	126,767	25,242	32,747
Other reserves	27	3,032	3,033	2,989	2,156	2,156
		253,282	217,257	180,402	77,462	85,818
Non-controlling interests		23,679	21,519	21,888	–	–
Total equity		276,961	238,776	202,290	77,462	85,818

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

INCOME STATEMENTS

For the financial year ended 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000 (Restated)	Company 2015 $'000	Company 2014 $'000
Revenue					
Project revenue		239,911	285,677	–	–
Rental income from investment properties		6,180	6,294	–	–
		246,091	291,971	–	–
Other income	28	13,050	9,415	14,145	34,764
Cost of construction		(213,969)	(258,895)	–	–
Personnel expenses	29	(11,004)	(9,055)	(3,847)	(4,042)
Depreciation of property, plant and equipment	4	(1,866)	(1,760)	–	–
Finance costs	30	(6,091)	(3,198)	(4,111)	(1,572)
Other operating expenses	31	(6,599)	(6,290)	(1,184)	(651)
		(239,529)	(279,198)	(9,142)	(6,265)
Profit from operations before share of results of associates and joint ventures		19,612	22,188	5,003	28,499
Share of results of associates		26,488	27,658	–	–
Share of results of joint ventures		(237)	492	–	–
Profit before taxation		45,863	50,338	5,003	28,499
Tax expense	32	(3,796)	(4,382)	(77)	(74)
Net profit for the financial year		42,067	45,956	4,926	28,425
Attributable to:					
Owners of the Company		41,655	44,790	4,926	28,425
Non-controlling interests		412	1,166	–	–
		42,067	45,956	4,926	28,425
Earnings per share (cents)					
- Basic and diluted	33	10.09	10.81		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	Note	Group		Company	
		2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Net profit for the financial year		42,067	45,956	4,926	28,425
Other comprehensive income:					
Foreign currency translation		9,848	2,762	–	–
Other comprehensive income for the financial year, net of tax		9,848	2,762	–	–
Total comprehensive income for the financial year		51,915	48,718	4,926	28,425
Total comprehensive income attributable to:					
Owners of the Company		49,307	46,907	4,926	28,425
Non-controlling interests		2,608	1,811	–	–
		51,915	48,718	4,926	28,425

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

Group	Note	Share capital $'000	Translation reserve $'000	Accumulated profits $'000	Other reserves $'000	Equity attributable to owners of the Company, total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to owners of the Company						
At 1 April 2013		50,915	(269)	126,767	2,989	180,402	21,888	202,290
Net profit for the financial year		–	–	44,790	–	44,790	1,166	45,956
Other comprehensive income								
Foreign currency translation		–	2,117	–	–	2,117	645	2,762
Other comprehensive income for the financial year		–	2,117	–	–	2,117	645	2,762
Total comprehensive income for the financial year		–	2,117	44,790	–	46,907	1,811	48,718
Contributions by and distributions to owners								
Interim and final tax-exempt dividends on ordinary shares	34	–	–	(9,945)	–	(9,945)	–	(9,945)
Dividends paid to non-controlling interests		–	–	–	–	–	(397)	(397)
Transfer to other reserves		–	–	(151)	151	–	–	–
Acquisition of non-controlling interests without a change in control		–	–	–	(107)	(107)	(1,783)	(1,890)
Total contributions by and distributions to owners		–	–	(10,096)	44	(10,052)	(2,180)	(12,232)
At 31 March 2014		50,915	1,848	161,461	3,033	217,257	21,519	238,776

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

Group	Note	Share capital	Treasury shares	Translation reserve	Accumulated profits	Other reserves	Equity attributable to owners of the Company, total	Non-controlling interests	Total equity
		Attributable to owners of the Company							
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 April 2014		50,915	–	1,848	161,461	3,033	217,257	21,519	238,776
Net profit for the financial year		–	–	–	41,655	–	41,655	412	42,067
Other comprehensive income									
Foreign currency translation		–	–	7,652	–	–	7,652	2,196	9,848
Other comprehensive income for the financial year		–	–	7,652	–	–	7,652	2,196	9,848
Total comprehensive income for the financial year		–	–	7,652	41,655	–	49,307	2,608	51,915
Contributions by and distributions to owners									
Interim and final tax-exempt dividends on ordinary shares	34	–	–	–	(12,431)	–	(12,431)	–	(12,431)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(448)	(448)
Transfer to other reserves		–	–	–	1	(1)	–	–	–
Purchase of treasury shares		–	(851)	–	–	–	(851)	–	(851)
Total contributions by and distributions to owners		–	(851)	–	(12,430)	(1)	(13,282)	(448)	(13,730)
At 31 March 2015		50,915	(851)	9,500	190,686	3,032	253,282	23,679	276,961

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

	Note	Share capital $'000	Treasury shares $'000	Accumulated profits $'000	Other reserves $'000	Total equity $'000
Company						
At 1 April 2013		50,915	–	14,267	2,156	67,338
Net profit for the financial year		–	–	28,425	–	28,425
Total comprehensive income for the financial year		–	–	28,425	–	28,425
Interim and final tax-exempt dividends on ordinary shares	34	–	–	(9,945)	–	(9,945)
At 31 March 2014		50,915	–	32,747	2,156	85,818
At 1 April 2014		50,915	–	32,747	2,156	85,818
Net profit for the financial year		–	–	4,926	–	4,926
Total comprehensive income for the financial year		–	–	4,926	–	4,926
Purchase of treasury shares		–	(851)	–	–	(851)
Interim and final tax-exempt dividends on ordinary shares	34	–	–	(12,431)	–	(12,431)
At 31 March 2015		50,915	(851)	25,242	2,156	77,462

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	Note	2015 $'000	2014 $'000 (Restated)
Operating activities			
Profit before taxation		45,863	50,338
Adjustments:			
Depreciation of property, plant and equipment	4	1,866	1,760
Amortisation of club membership	10	2	3
Net gain on sale of plant and equipment	28/31	(25)	(57)
Loss on sale of investment property	31	60	–
Gain on fair value adjustments of investment properties	28	(1,292)	(4,022)
Fair value loss on structured deposits	31	69	46
Allowance for doubtful debts	31	40	70
Interest expense	30	6,023	3,089
Interest income	28	(9,981)	(2,676)
Share of results of associates		(26,488)	(27,658)
Share of results of joint ventures		237	(492)
Amortisation of issuance costs on term notes		500	182
Operating cash flows before changes in working capital		16,874	20,583
(Increase)/decrease in:			
Inventory		–	(1)
Trade and other receivables, deposits and prepayments		(11,294)	(7,911)
Construction work-in-progress, net		11,366	(5,138)
Increase in:			
Trade and other payables		3,543	16,379
Deferred income		30	221
Cash flows generated from operations		20,519	24,133
Income taxes paid		(4,299)	(4,367)
Interest income received		9,981	2,676
Exchange differences		1,149	509
Net cash flows generated from operating activities		27,350	22,951
Investing activities			
Purchase of investment properties	8	(2,788)	(3,219)
Purchase of plant and equipment	4	(1,533)	(1,378)
Proceeds from sale of plant and equipment		46	75
Proceeds from sale of investment property		84	–
Investments in associates	6	–	(4,737)
Loan receivable		–	2,793
Loans due from associates, net		(10,428)	–
Amounts due from associates		–	(1,227)
Loans due from joint ventures, net		(34,451)	8,233
Dividends received from an associate		22,050	–
Loan due from an investee company		(724)	–
Net cash flows (used in)/generated from investing activities		(27,744)	540

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	Note	2015 $'000	2014 $'000 (Restated)
Financing activities			
Purchase of treasury shares		(851)	–
Dividends paid		(12,879)	(10,342)
Proceeds from issuance of term notes		–	73,749
Proceeds from bank term loans		2,997	2,109
Repayment of bank term loans		(3,993)	(609)
Proceed from finance lease obligations		544	–
Repayment of bills payable to banks		(23,028)	(17,493)
Interest paid		(6,023)	(3,089)
Repayment of finance lease obligations		–	(18)
Increase in pledged fixed deposits		(58)	(69)
Acquisition of non-controlling interests		–	(1,890)
Net cash flows (used in)/generated from financing activities		(43,291)	42,348
Net (decrease)/increase in cash and cash equivalents		(43,685)	65,839
Effect of exchange rate changes on cash and cash equivalents		280	(287)
Cash and cash equivalents at beginning of the financial year		122,457	56,905
Cash and cash equivalents at end of the financial year	18	79,052	122,457

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

1. Corporation information

1.1 *The Company*

KSH Holdings Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore. The ordinary shares of the Company were admitted to the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 February 2007.

The registered office and principal place of business of the Company are located at 36 Senoko Road, Singapore 758108.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

The financial statements are presented in Singapore Dollar (SGD or $) and all values are rounded to the nearest thousand ($'000) as indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company except as discussed below.

FRS 111 *Joint Arrangements and* Revised FRS 28 *Investments in Associates and Joint Ventures*

The adoption of FRS 111 has resulted in the Group having to revise its method of accounting for its joint arrangement. The investment in a jointly controlled entity had been previously consolidated proportionately. Under FRS 111, this arrangement is classified as a joint venture and is to be equity accounted.

2. Summary of significant accounting policies (cont'd)

2.2 ***Changes in accounting policies (cont'd)***

The change in accounting policy has been applied in accordance with the transitional provision in FRS 111. The initial investment was measured as the aggregate of the carrying amounts of the assets and liabilities that the Group previously proportionately consolidated. The effects of adoption of FRS 111 and Revised FRS 28 are as follows:

Impact on statement of profit or loss ((decrease)/increase) in profit:

	Group
	As at 31 March 2014
	$'000
Revenue	(32,511)
Other income	(49)
Cost of construction	31,942
Finance costs	37
Other operating expenses	89
Share of results of joint venture	492
Net impact on profit before/after taxation	–

Impact on equity (increase/(decrease)) in net equity:

	Group	
	As at 31 March 2014	**As at 31 March 2013**
	$'000	$'000
Interest in a joint venture	14,794	21,841
Investment properties	1,040	694
Total non-current assets	15,834	22,535
Development property	(39,849)	(43,548)
Other receivables and deposits	(9)	(5)
Fixed deposits	(2,875)	(6,550)
Cash and bank balances	(1,074)	(2,000)
Total assets	(27,973)	(29,568)
Trade payables	908	1,035
Other payables and accruals	170	888
Bank term loans, secured	26,895	27,645
Total liabilities	27,973	29,568
Net impact on equity	–	–

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

Impact on cash flows statement ((decrease)/increase) in cash flows:

	Group As at 31 March 2014 $'000
Operating activities	(3,080)
Investing activities	6,892
Financing activities	788
Net increase in cash and cash equivalents	4,600

2.3 *Standards issued but not yet effective*

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

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
Amendments to FRS 102 *Share Based Payment*	1 July 2014
Amendments to FRS 103 *Business Combinations*	1 July 2014
Amendments to FRS 108 *Operating Segments*	1 July 2014
Amendments to FRS 16 *Property, Plant and Equipment and FRS 38 Intangible Assets*	1 July 2014
Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
Amendments to FRS 103 *Business Combinations*	1 July 2014
Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 16 and FRS 41: *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110 and FRS 28: *Sale or Contributions of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Improvements to FRSs (November 2014)	
Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
Amendments to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities: Applying the Consolidation Exceptions*	1 January 2016
FRS 115 *Revenue for Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

Except for FRS 115, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 is described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2.4 ***Basis of consolidation and business combinations***

(a) *Basis of consolidation*

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

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

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

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation and business combinations (cont'd)***

(a) *Basis of consolidation (cont'd)*

- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognized as gain on bargain purchase in profit or loss on the acquisition date.

2.5 ***Transactions with non-controlling interests***

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly to owners of the Company, and are presented separately in the statements of comprehensive income and within equity in the balance sheets, separately from equity attributable to owners of the Company.

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

2. Summary of significant accounting policies (cont'd)

2.6 ***Foreign currency***

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment (except for one leasehold factory building) are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment (cont'd)*

The leasehold factory building stated at valuation was revalued in a one-off revaluation prior to 1 January 1997. Accordingly, it does not need to be revalued in accordance with paragraph 81 of the FRS 16 – *Property, Plant and Equipment*.

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

Leasehold factory buildings	–	25 – 50 years
Furniture and fittings and air-conditioners	–	5 – 15 years
Office equipment	–	5 – 8 years
Computers	–	3 years
Motor vehicles and certificate of entitlement	–	5 – 10 years
Loose tools	–	5 years
Plant and machinery	–	6 – 15 years
Renovations	–	5 years

Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use.

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

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

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

2.8 *Investment properties*

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

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

2. Summary of significant accounting policies (cont'd)

2.8 *Investment properties (cont'd)*

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Club membership

The club membership was acquired separately and is amortised on a straight-line basis over its finite useful life of 25 years.

2.10 *Impairment of non-financial assets*

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets (cont'd)*

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

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

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

2.12 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interests in joint ventures as investments and accounts for these investments using the equity method. The accounting policy for investments in joint ventures is set out in Note 2.13.

2. Summary of significant accounting policies (cont'd)

2.13 *Joint ventures and associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interests in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

As the dates of the associates' and joint ventures' audited financial statements used are not co-terminous with those of the Group, the Group's share of results is arrived at based on the last audited financial statements available and un-audited management financial statements to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(a) ***Financial assets (cont'd)***

Derecognition

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

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) ***Financial liabilities***

Initial recognition and measurement

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(b) ***Financial liabilities (cont'd)***

Derecognition

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

2.15 ***Impairment of financial assets***

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

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

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

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

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

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

2.16 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits. They are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts that form an integral part of the Group's cash management.

2. Summary of significant accounting policies (cont'd)

2.17 *Construction contracts*

The Group principally operates fixed price contracts. 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 end of each reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expenses in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on professional surveys of work performed.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; costs of design, and technical assistance that is directly related to the contract.

2.18 *Construction work-in-progress*

Construction work-in-progress is carried at the net amount of project cost plus attributable profits less recognised losses, net of progress billings and allowance for foreseeable losses. It is presented in the balance sheet as a current asset under "construction work-in-progress in excess of progress billings" or as a current liability under "progress billings in excess of construction work-in-progress", as applicable.

Project cost includes materials cost, direct labour cost and other project-related expenses incurred during the project period. The project is considered complete when all significant identifiable costs attributable to the project have been incurred. Provision for anticipated losses on uncompleted contracts is made in the period in which such losses are determined.

2.19 *Provisions*

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

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

2. Summary of significant accounting policies (cont'd)

2.20 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 *Employee benefits*

(a) *Defined contribution plans*

The companies in the Group participate in the following national pension schemes as defined by the laws of the countries in which they have operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related services are performed.

(i) Republic of Singapore ("Singapore")

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China ("PRC")

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to its employees under existing PRC legislations. Pension contributions are made at rates stipulated by PRC legislations to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

(b) *Employee leave entitlement*

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

2.22 *Leases*

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. Summary of significant accounting policies (cont'd)

2.22 ***Leases (cont'd)***

(a) As lessee (cont'd)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23 (b).

2.23 ***Revenue***

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

(a) *Project revenue*

The accounting policy for recognising project revenue is stated in Note 2.17.

(b) *Rental income*

Rental income arising from investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) *Revenue from sale of investment properties*

Revenue from the sale of investment properties is recognised when there is a finalised sales agreement and all risks and rewards of ownership have been transferred to the buyer, and that it is probable that the economic benefits associated with the sales agreements will flow to the Group.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

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

2. Summary of significant accounting policies (cont'd)

2.24 *Taxes*

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2. Summary of significant accounting policies (cont'd)

2.24 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

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

(i) Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sale tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

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

2.25 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to Management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 *Share capital and share issue expenses*

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

2.27 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. Summary of significant accounting policies (cont'd)

2.28 ***Contingencies***

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.29 ***Financial guarantee***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

2.30 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

2. Summary of significant accounting policies (cont'd)

2.30 *Related parties (cont'd)*

(b) An entity is related to the Group and the Company if any of the following conditions applies: (cont'd)

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

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

3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below.

Construction contracts and revenue recognition

The Group recognises contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable or based on the stage of completion method depending on whether the outcome of the contract can be measured reliably. The stage of completion is measured by reference to professional surveys of work performed. Estimation is required in determining the stage of completion, the estimated total contract revenue and estimated total contract cost, as well as the recoverability of the contract cost incurred.

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

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

For the financial year ended 31 March 2015, the Group recorded revenue of $239,911,000 (2014: $285,677,000) from its construction contracts. The carrying amount of the Group's construction work-in-progress at the end of the reporting period is disclosed in Note 16 to the financial statements.

4. Property, plant and equipment

Group	At valuation: Leasehold factory building	At cost: Leasehold factory building	Furniture and fittings and air-conditioners	Office equipment and computers	Motor vehicles	Loose tools	Plant and machinery	Renovations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Valuation/Cost									
As at 1.4.2013 (restated)	1,100	2,865	1,270	2,632	1,267	1,810	15,461	369	26,774
Additions	–	–	3	211	34	43	293	794	1,378
Disposals	–	–	–	(27)	(99)	(22)	(789)	–	(937)
Translation difference	–	–	13	4	4	–	–	–	21
As at 31.3.2014 and 1.4.2014 (restated)	1,100	2,865	1,286	2,820	1,206	1,831	14,965	1,163	27,236
Additions	–	–	5	515	704	32	233	44	1,533
Disposals	–	–	(243)	(1,844)	(184)	(1,596)	(2,251)	(306)	(6,424)
Translation difference	–	–	42	13	14	–	–	–	69
As at 31.3.2015	1,100	2,865	1,090	1,504	1,740	267	12,947	901	22,414
Accumulated depreciation									
As at 1.4.2013 (restated)	1,100	535	837	2,143	1,179	1,689	8,456	351	16,290
Charge for the financial year	–	56	100	223	44	54	1,257	26	1,760
Disposals	–	–	–	(15)	(99)	(17)	(788)	–	(919)
Translation difference	–	–	11	3	3	–	–	–	17
As at 31.3.2014 and 1.4.2014 (restated)	1,100	591	948	2,354	1,127	1,726	8,925	377	17,148
Charge for the financial year	–	56	89	267	96	46	1,143	169	1,866
Disposals	–	–	(243)	(1,838)	(184)	(1,590)	(2,244)	(306)	(6,405)
Translation difference	–	–	41	10	14	–	–	–	65
As at 31.3.2015	1,100	647	835	793	1,053	182	7,824	240	12,674
Net carrying amount									
As at 31.3.2014	–	2,274	338	466	79	105	6,040	786	10,088
As at 31.3.2015	–	2,218	255	711	687	85	5,123	661	9,740

4. Property, plant and equipment (cont'd)

Revaluation of leasehold factory building

One of the leasehold factory buildings was valued at $1,100,000 on the basis of present market value by a firm of professional valuers, Associated Property Consultants Pte Ltd on 11 August 1986.

Cash outflows on purchase of property, plant and equipment

Cash payments of $929,000 (2014: $1,378,000) were made to purchase plant and equipment during the financial year ended 31 March 2015.

Assets held under finance leases

During the financial year ended 31 March 2015, the Group acquired plant and equipment with an aggregate cost of $604,000 (2014: $Nil) by means of finance lease agreement.

The carrying amounts of property, plant and equipment acquired under finance leases at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Motor vehicles	601,000	–

Assets acquired under finance leases were pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the leasehold factory building with net carrying amount of $2,218,000 (2014: $2,274,000) has been pledged as security for the banking facilities granted by the banks (Note 22).

5. Investments in subsidiaries

	Company	
	2015	**2014**
	$'000	$'000
Unquoted equity shares:		
Cost at the beginning and end of the financial year	16,791	57,516

5. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2015 %	Effective equity interest held by the Group 2014 %
	Held by the Company			
#	Kim Seng Heng Engineering Construction (Pte) Ltd ("KSHEC") (Republic of Singapore)	Carry on business as builders and contractors	100.00	100.00
#	Kim Seng Heng Realty Pte Ltd ("KSHR") (Republic of Singapore)	Property developers, deriving rental income from investment properties and investment holding	100.00	100.00
#	KSH Overseas Pte. Ltd. ("KSHO") (Republic of Singapore)	Investment holding	100.00	100.00
#	KSH Property Development Pte. Ltd. ("KSHPD") (Republic of Singapore)	Holding of assets	100.00	100.00
#	KSH Property Investment Pte. Ltd. ("KSHPI") (Republic of Singapore)	Holding of assets	100.00	100.00
#	Ferris Rise Pte. Ltd. ("FERRIS") (Republic of Singapore)	Holding of assets	100.00	100.00
#	KSH Asia Investment Pte. Ltd. ('KSHAI') (Republic of Singapore)	Investment holding	100.00	100.00
# (1)	KSH Commercial Investment Pte. Ltd. ("KSHCI") (Republic of Singapore)	Investment holding	100.00	–
# (2)	KSH Capital Pte. Ltd. ("KSHCA") (Republic of Singapore)	Investment holding	100.00	–
	Held by subsidiaries			
^ *	Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE") (The People's Republic of China)	Rental and sale of property	69.00	69.00

5. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows: (cont'd)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2015	2014
			%	%
	Held by subsidiaries (cont'd)			
^ ¤	Tianjin Tian Xing Property Management Co., Ltd. ("TTXPM") (The People's Republic of China)	Property management	69.00	69.00
@	Duford Investment (Hong Kong) Limited ("Duford") (Hong Kong Special Administrative Region)	Investment holding	100.00	100.00
* ¤	Techpath Construction Sdn Bhd ("Techpath") (Malaysia)	Building construction	100.00	100.00
# (3)	KSH Land Development Pte. Ltd. ("KSHLD") (Republic of Singapore)	Property development	100.00	–

\# Audited by Ernst & Young LLP, Singapore.

^ Audited by CHW CPA Limited Liability Partnership, the People's Republic of China.

* Reviewed by Ernst & Young LLP, Singapore, for consolidation purposes only.

@ Audited by C K Yau & Partners CPA Limited, Certified Public Accountants (Practising), Hong Kong.

¤ Not considered a significant subsidiary.

(1) On 30 April 2014, the Company incorporated KSHCI, a wholly-owned subsidiary. The issued share capital of KSHCI, comprising 1 ordinary share, was subscribed for an aggregate cash consideration of $1.

(2) On 8 May 2014, the Company incorporated KSHCA, a wholly-owned subsidiary. The issued share capital of KSHCA, comprising 1 ordinary share, was subscribed for an aggregate cash consideration of $1.

(3) On 12 December 2014, KSHR, a wholly-owned subsidiary of the Company, incorporated KSHLD. KSHR owns 100% of the issued share capital of KSHLD, comprising 1 ordinary share, for an aggregate cash consideration of $1.

5. Investments in subsidiaries (cont'd)

Interests in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that are material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
			$'000	$'000	$'000
31 March 2015:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	People's Republic of China	31%	405	23,586	448
31 March 2014:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	People's Republic of China	31%	1,150	21,442	397

Summarised financial information of subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests is as follows:

Summarised balance sheet

	TTXRE	
	2015	**2014**
	$'000	$'000
Current		
Assets	2,794	4,621
Liabilities	(6,378)	(5,916)
Net current liabilities	(3,584)	(1,295)
Non-current		
Assets	118,130	106,562
Liabilities	(38,514)	(36,151)
Net non-current assets	79,616	70,411
Net assets	76,032	69,116

5. Investments in subsidiaries (cont'd)

Summarised financial information of subsidiaries with material NCI (cont'd)

Summarised statement of comprehensive income

	TTXRE	
	2015	**2014**
	$'000	$'000
Revenue	4,094	4,291
Other income	1,017	3,738
Profit before taxation	2,613	4,930
Tax expense	(1,308)	(1,219)
Profit after taxation	1,305	3,711
Other comprehensive income	–	–
Total comprehensive income	1,305	3,711

6. Interests in associates

	Group	
	2015	**2014**
	$'000	$'000
Shares, at cost	23,061	18,324
Additions during the financial year	–	4,737
Disposal during the financial year	(500)	–
Goodwill arising on acquisition of additional interest in an associate	(118)	(108)
	22,443	22,953
Share of post-acquisition reserves	69,603	43,114
Dividends receivable	(849)	(774)
Dividends received	(22,050)	–
Translation difference	27	(1,427)
Carrying amount of investments	69,174	63,866
Loans due from associates	64,960	46,228
Loan due to an associate	(720)	(720)
Amounts due from associates	9,107	18,272
	142,521	127,646

Loans due from associates amounting to $56,371,000 (2014: $31,257,000) are unsecured, have no fixed repayment terms and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 3.00% to 5.35% (2014: 5.00%) per annum.

6. Interests in associates (cont'd)

The remaining loans due from associates, amounting to $8,589,000 (2014: $14,971,000) are unsecured, non-interest bearing and are repayable only when the cash flows of the respective companies permit. These amounts are not expected to be repaid within the next twelve months and are to be settled in cash.

Loan due to an associate, amounting to $720,000 (2014: $720,000) is unsecured, non-interest bearing and has no fixed repayment term. This amount is not expected to be repaid within the next twelve months and is to be settled in cash.

Amounts due from associates are unsecured, non-interest bearing and have no fixed repayment term. These amounts are not expected to be repaid within the next twelve months and are to be settled in cash.

The Group's material investments in associates are summarised below:

	Group	
	2015	**2014**
	$'000	$'000
Mergui Development Pte. Ltd.	25,466	39,334
Unique Development Pte. Ltd.	7,104	4,286
Development 26 Pte. Ltd.	3,736	2,228
Unique Realty Pte. Ltd.	2,017	195
Unique Consortium Pte. Ltd.	6,113	175
Unique Rezi Pte. Ltd.	5,369	306
Beijing Jin Hua Tong Da Real Estate Development Co., Ltd	9,019	8,623
Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd.	5,259	5,135
Other associates	5,091	3,584
Carrying amount of investments in associates	69,174	63,866

Details of the associates are as follows:

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2015	**2014**
			%	%
	Held by subsidiaries			
@	Beijing Jin Hua Tong Da Real Estate Development Co., Ltd. ("BJHTD") (The People's Republic of China)	Residential property developer	45.00	45.00
#	Mergui Development Pte. Ltd. ("Mergui") (Republic of Singapore)	Property development	35.00	35.00
@	Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd. ("KSHEC Beijing") (The People's Republic of China)	Engineering and construction	50.00	50.00

6. Interests in associates (cont'd)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2015	2014
			%	%
	Held by subsidiaries (cont'd)			
#	Unique Development Pte. Ltd. ("Unique Development") (Republic of Singapore)	Real estate developers	35.00	35.00
#	Development 26 Pte. Ltd. ("Dev 26") (Republic of Singapore)	Property development	45.00	45.00
#	Residenza Pte. Ltd. ("Residenza") (Republic of Singapore)	Property development	32.00	32.00
#	Unique Realty Pte. Ltd. ("Unique Realty") (Republic of Singapore)	Property development	25.00	25.00
++	KSH (China) Venture Pte. Ltd. ("KSHCV") (Republic of Singapore)	Dormant	–	50.00
#	Unique Consortium Pte. Ltd. ("Unique Consortium") (Republic of Singapore)	Property development	35.00	35.00
#	Unique Capital Pte. Ltd. ("Unique Capital") (Republic of Singapore)	Property development	25.00	25.00
#	Unique Rezi Pte. Ltd. ("Unique Rezi") (Republic of Singapore)	Investment holding	42.00	42.00
#	Unique Resi Estate Pte. Ltd. ("Unique Resi Estate") (Republic of Singapore)	Property development	30.00	30.00
#	Unique Commercial Pte. Ltd. ("Unique Commercial") (Republic of Singapore)	Property development	35.00	35.00
#	Development 32 Pte. Ltd. ("Dev 32") (Republic of Singapore)	Property development	45.00	45.00

6. Interests in associates (cont'd)

Details of the associates are as follows: (cont'd)

	Name of associate (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2015 %	Effective equity interest held by the Group 2014 %
	Held by subsidiaries (cont'd)			
#	Unique Wellness Pte. Ltd. ("Unique Wellness") (Republic of Singapore)	Investment holding	20.00	20.00
#	Wealth Development Pte. Ltd. ("Wealth Development") (Republic of Singapore)	Real estate developers	30.00	30.00
#	Great Development Pte. Ltd. ("Great Development") (Republic of Singapore)	Real estate developers	25.00	25.00
#	Klang City Development Pte. Ltd. ("Klang City Development") (Republic of Singapore)	Investment holding	40.00	40.00
#	Imperial South East Asia Investment Pte. Ltd. ("Imperial SEA Investment") (Republic of Singapore)	Real estate developers	34.70	34.70
# (1)	Epic Land Pte. Ltd. ("EPIC") (Republic of Singapore)	Investment holding	28.00	–

@ Audited by Grant Thornton, Zi Tong Certified Public Accountants, the People's Republic of China.

Audited by Ernst & Young LLP, Singapore.

++ Struck off with effect from 20 January 2015

(1) On 8 May 2014, KSHCI, a wholly-owned subsidiary, acquired a 28.00% equity interest in Epic Land Pte. Ltd. ("EPIC") for a cash consideration of $28.

6. Interests in associates (cont'd)

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	Group 2015 $'000	Group 2014 $'000
Profit after taxation	5,457	433
Other comprehensive income	–	–
Total comprehensive income	5,457	433

The summarised financial information in respect of the material investments in associates, based on their respective FRS financial statements, and a reconciliation with the carrying amount of each investment in the consolidated statements are as follows:

Summarised balance sheet

	Mergui Development		Unique Development		Development 26		Unique Realty	
	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	102,005	195,571	66,999	137,870	28,891	31,649	89,875	100,963
Non-current assets	1,604	3	–	–	–	–	–	45
Total assets	103,609	195,574	66,999	137,870	28,891	31,649	89,875	101,008
Current liabilities	(30,848)	(7,543)	(18,630)	(88,881)	(13,566)	(15,330)	(5,564)	(3,766)
Non-current liabilities	–	(75,647)	(28,076)	(36,745)	(7,022)	(11,369)	(76,245)	(96,466)
Total liabilities	(30,848)	(83,190)	(46,706)	(125,626)	(20,588)	(26,699)	(81,809)	(100,232)
Net assets	72,761	112,384	20,293	12,244	8,303	4,950	8,066	776
Proportion of Group's ownership	35%	35%	35%	35%	45%	45%	25%	25%
Group's share of net assets	25,466	39,334	7,103	4,285	3,736	2,228	2,016	194
Other adjustments	–	–	1*	1*	–	–	1*	1*
Carrying amount of investment	25,466	39,334	7,104	4,286	3,736	2,228	2,017	195

6. Interests in associates (cont'd)

Summarised balance sheet (cont'd)

	Unique Consortium		Unique Rezi		BJHTD		Sino-KSHEC	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	64	24	145	192	94,135	86,090	12,814	18,764
Non-current assets	99,460	48,166	50,532	30,029	40,635	220	10	16
Total assets	99,524	48,190	50,677	30,221	134,770	86,310	12,824	18,780
Current liabilities	(6)	(16)	(6)	(8)	(114,728)	(67,141)	(1,262)	(8,516)
Non-current liabilities	(82,051)	(47,674)	(37,890)	(29,486)	–	–	–	–
Total liabilities	(82,057)	(47,690)	(37,896)	(29,494)	(114,728)	(67,141)	(1,262)	(8,516)
Net assets	17,467	500	12,781	727	20,042	19,169	11,562	10,264
Proportion of Group's ownership	35%	35%	42%	42%	45%	45%	50%	50%
Group's share of net assets	6,113	175	5,368	305	9,019	8,626	5,781	5,132
Other adjustments	–	–	1*	1*	–	(3)^	(522)^	3
Carrying amount of investment	6,113	175	5,369	306	9,019	8,623	5,259	5,135

* Other adjustments comprise accumulated loss prior to the date of acquisition by the Group

^ Other adjustments comprise fair value adjustments to the assets of an associate at date of acquisition by the Group

6. Interests in associates (cont'd)

Summarised statement of comprehensive income

	Mergui Development		Unique Development		Development 26		Unique Realty	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	63,403	184,155	12,656	84,284	24,193	25,343	77,976	36,552
Profit after taxation	23,377	65,441	8,050	10,165	3,353	3,610	7,292	1,838
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income	23,377	65,441	8,050	10,165	3,353	3,610	7,292	1,838

	Unique Consortium		Unique Rezi		BJHTD		Sino-KSHEC	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	2,979	2,328	1,775	750	95	–	11,582	18
Profit/(loss) after taxation	16,967	(217)	12,054	(790)	(988)	(1,363)	247	79
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income	16,967	(217)	12,054	(790)	(988)	(1,363)	247	79

7. Interests in joint ventures

	Group 2015 $'000	Group 2014 $'000
Shares, at cost	250	250
Share of post-acquisition reserves	(1,479)	(1,242)
Carrying amount of investments	(1,229)	(992)
Loans due from joint ventures	43,828	15,825
Amounts due from/(to) joint ventures	6,408	(39)
	49,007	14,794

Loans due from joint ventures amounting to $43,828,000 (2014: $15,825,000) are unsecured, have no fixed repayment term and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 2.30% to 5.35% (2014: 2.30%) per annum.

Amounts due from/(to) joint ventures are unsecured, non-interest bearing and have no fixed repayment term. These amounts are not expected to be repaid within the next twelve months and are to be settled in cash.

The Group's material investments in joint ventures are summarised below:

	Group 2015 $'000	Group 2014 $'000
Phileap Pte. Ltd	(1,176)	(992)
Other joint ventures	(53)	–
Carrying amount of investments in joint ventures	(1,229)	(992)

7. Interests in joint ventures (cont'd)

Details of the joint ventures are as follows:

	Name of joint venture (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group 2015	2014
			%	%
	Held by a subsidiary			
#	Phileap Pte. Ltd. ("Phileap") (Republic of Singapore)	Property development	25.00	25.00
# (1)	Unique Residence Pte. Ltd. ("Unique Residence") (Republic of Singapore)	Property development	50.00	–
	Held by a joint venture			
# (2)	Fernvale Development Pte. Ltd. ("Fernvale Development") (Republic of Singapore)	Property development	20.00	–

\# Audited by Ernst & Young LLP, Singapore.

(1) On 4 Aug 2014, Kim Seng Heng Realty Pte Ltd ("KSHR"), a wholly-owned subsidiary of the Company, acquired a 50.00% equity interest in Unique Residence Pte. Ltd. ("Unique Residence") for a cash consideration of $1.

(2) On 15 Aug 2014, Unique Residence acquired a 40.00% equity interest in Fernvale Development Pte. Ltd. ("Fernvale Development") for a cash consideration of $400,000. Subsequent to the acquisition, the Group's effective equity interest in Fernvale Development is 20.00%.

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2015	2014
	$'000	$'000
Loss after taxation	(107)	–
Other comprehensive income	–	–
Total comprehensive income	(107)	–

7. Interests in a joint venture (cont'd)

Summarised financial information in respect of the Group's investments in joint ventures, based on its FRS financial statements, and a reconciliation with the carrying amount of each investments in the consolidated financial statements are as follows:

Summarised balance sheet

	Phileap	
	2015	**2014**
	$'000	$'000
Cash and cash equivalents	14,519	15,796
Trade receivables	–	–
Development property	70,857	175,677
Other current assets	57,924	30,189
Current assets	143,300	221,662
Non-current assets	–	1
Total assets	143,300	221,663
Current liabilities	32,115	111,890
Non-current liabilities	115,888	113,742
Total liabilities	148,003	225,632
Net liabilities	(4,703)	(3,969)
Proportion of the Group's ownership	25%	25%
Group's share of net liabilities, representing carrying amount of investment in an joint venture	(1,176)	(992)

Summarised statement of comprehensive income

	Phileap	
	2015	**2014**
	$'000	$'000
Revenue	33,210	130,046
Interest income	936	195
Interest expense	(1,033)	(149)
(Loss)/profit after taxation	(735)	1,968
Other comprehensive income	–	–
Total comprehensive income	(735)	1,968

8. Investment properties

	Group	
	2015	2014
	$'000	$'000
At beginning of the financial year	117,233	106,836
Gain on fair value adjustments of investment properties	1,292	4,022
Additions during the financial year	2,788	3,219
Disposals during the financial year	(144)	–
Translation difference	10,544	3,156
At end of the financial year	131,713	117,233

The aggregate operating expenses related to the Group's investment properties recognised in profit or loss are as follows:

Direct operating expenses (including repairs and maintenance) arising from:

	Group	
	2015	2014
	$'000	$'000
Rental generating properties	1,966	2,374

8. Investment properties (cont'd)

The investment properties held by the Group as at 31 March are as follows:

	Name of property	Description	Fair value 2015	Fair value 2014
			$'000	$'000
(1)	Sheares Ville	Freehold residential property at 9 Holt Road #12-05 Singapore 249446, comprising an estimated floor area of 443 square metres	5,900	5,900
(2)	Tianjin Tianxing Riverfront Square	Leasehold commercial building at No.81 Shi Yi Jing Road, Hedong District, Tianjin, 300171, the People's Republic of China, comprising an estimated floor area of 44,936 square metres (50 years lease term expiring on 17 September 2043)	115,613	104,256
(3)	Centennia Suites	Freehold residential property at 100 Kim Seng Road #13-01 Singapore 239427, comprising an estimated floor area of 115 square metres	2,900	2,850
(4)	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-02 Singapore 308380, comprising an estimated floor area of 150 square metres	3,400	2,000
(4)	Lincoln Suites	Freehold residential property at Blk 1 Khiang Guan Avenue #23-01 Singapore 308380, comprising an estimated floor area of 171 square metres	3,900	2,227
			131,713	117,233

(1) The fair values have been determined based on valuations performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent professional valuer, carried out in February 2015 and February 2014 respectively.

(2) The fair values have been determined based on valuations performed by DTZ Debenham Tie Leung Property Advisory (Tianjin) Co Ltd ("DTZ"), an independent professional valuer, carried out in March 2015 and March 2014 respectively.

(3) The fair values have been determined based on valuations performed by ECG Consultancy Pte. Ltd., an independent professional valuer, carried out in March 2015 and March 2014 respectively.

(4) The fair values have been determined based on valuations performed by ECG Consultancy Pte. Ltd., an independent professional valuer, carried out in March 2015. No valuation was carried out in 2014 as the properties were under construction as at 31 March 2014.

Rental income earned by the Group for the financial year ended 31 March 2015 from its investment properties, all of which are leased out under operating leases, amounted to $6,180,000 (2014: $6,294,000).

The investment properties have been pledged as securities for the banking facilities granted by the banks (Notes 21 and 22).

9. Amount due from a minority shareholder of a subsidiary (non-trade)

This amount, denominated in Chinese Renminbi, is unsecured, non-interest bearing, not expected to be repaid within the next twelve months and is to be settled in cash.

10. Club membership

	Group	
	2015	2014
	$'000	$'000
Cost		
As at 1 April and 31 March	60	60
Accumulated amortisation		
As at 1 April	16	13
Charge for the financial year	2	3
As at 31 March	18	16
Net carrying amount		
As at 31 March	42	44

The club membership was purchased in 2008 and is amortised over the useful life of 25 years. The amortisation of the club membership is included in the line "other operating expenses" in profit or loss.

11. Other receivables

This amount due from an investee company, denominated in Singapore Dollar, is unsecured, non-interest bearing, not expected to be repaid within the next twelve months and is to be settled in cash.

12. Structured deposits

	Group	
	2015	**2014**
	$'000	$'000
Structured deposits	987	1,056

Structured deposits are recorded at their fair values as at the end of the reporting period. These deposits are made for a term of 5 years, the return as determined, quarterly by the market access product falling within the range barriers as set-out under the terms of the deposit. The structured deposits will mature in March 2017.

Structured deposits are pledged to a bank as security for banking facilities granted to the Group (Notes 21 and 22).

13. Trade receivables

	Group	
	2015	**2014**
	$'000	$'000
Trade receivables	14,756	15,876
Trade receivables due from associates	3,783	3,403
Retention monies relating to construction contracts	37,222	28,412
Unbilled receivables	3,253	98
	59,014	47,789
Represented by:		
Current	48,724	32,371
Non-current	10,290	15,418
	59,014	47,789

Trade receivables are non-interest bearing. Current balances are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of $18,513,000 (2014: $19,245,000) which has been assigned to the banks for banking facilities granted to the Group as disclosed in Note 21.

13. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $16,000 (2014: $249,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2015	**2014**
	$'000	$'000
Trade receivables past due:		
Less than 60 days	–	238
61 – 90 days	13	8
More than 90 days	3	3
At end of financial year	16	249

Receivables that are impaired

As of 31 March 2015 and 2014, the Group did not have trade receivables that are impaired.

14. Other receivables and deposits

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Sundry debtors	932	923	10	11
Deposits	331	226	–	–
Interest receivable	47	31	13	9
Dividends receivable	850	774	–	–
Less: Allowance for doubtful debts	(704)	(612)	–	–
	1,456	1,342	23	20

The Group's other receivables and deposits denominated in foreign currencies are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Chinese Renminbi	218	301
Hong Kong Dollar	850	774

The Company's other receivables and deposits are denominated in SGD.

14. Other receivables and deposits (cont'd)

Receivables that are impaired

The Group's other receivables that are impaired at the end of the reporting period and the movement in the allowance accounts used to record the impairment are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Other receivables – nominal amounts	704	612
Less: Allowance for doubtful debts	(704)	(612)
	–	–
Movement in allowance for doubtful debts:		
At beginning of the financial year	612	525
Charge for the financial year	40	70
Written off	(12)	–
Exchange differences	64	17
At end of the financial year	704	612

These receivables are individually determined to be impaired at the end of the reporting period. They relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

15. Amounts due from subsidiaries (non-trade)/amounts due to subsidiaries (non-trade)

The non-current amounts due from subsidiaries (non-trade) amounting to $97,334,000 (2014: $31,224,000) are unsecured, not expected to be repaid within the next twelve months and are to be settled in cash. These amounts bear interest ranging from 2.30% to 5.35% (2014: 2.30% to 5.00%) per annum.

The remaining amounts due from subsidiaries (non-trade) amounting to $39,760,000 (2014: $50,252,000) are unsecured, non-interest bearing, not expected to be repaid within the next twelve months and are to be settled in cash.

The non-current amounts due to subsidiaries (non-trade) amounting to $4,444,000 (2014: $1,887,000) are unsecured, non-interest bearing, not expected to be repaid within the next twelve months and are to be settled in cash.

16. Construction work-in-progress

	Group 2015 $'000	Group 2014 $'000
Project costs incurred to date	299,432	406,988
Recognised profits less recognised losses to date	20,841	24,966
	320,273	431,954
Less: Progress billings received and receivable	(326,990)	(427,305)
Amounts due (to)/from customers for contract work, net	(6,717)	4,649
Represented by:		
Construction work-in-progress in excess of progress billings	6,837	13,407
Progress billings in excess of construction work-in-progress	(13,554)	(8,758)
	(6,717)	4,649

17. Fixed deposits

Fixed deposits have maturities ranging from 1 week to 1 year (2014: 1 week to 1 year) and earn interest at the respective short term deposit rates.

Fixed deposits of the Group and Company amounting to $16,072,000 (2014: $16,014,000) and $2,042,000 (2014: $2,028,000) respectively have been pledged to the banks for banking facilities granted to the Group and Company as disclosed in Notes 21 and 22.

The Group's fixed deposits denominated in foreign currency are as follows:

	Group 2015 $'000	Group 2014 $'000
Malaysian Ringgit	261	–

18. Cash and bank balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following as at 31 March:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Cash and bank balances		12,693	12,174	742	1,778
Fixed deposits	17	82,431	126,297	12,063	31,228
		95,124	138,471	12,805	33,006
Less: Pledged fixed deposits		(16,072)	(16,014)	(2,042)	(2,028)
Cash and cash equivalents		79,052	122,457	10,763	30,978

18. Cash and bank balances (cont'd)

The Group's and the Company's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

The Group's cash and bank balances denominated in foreign currencies are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Chinese Renminbi	3,286	4,931
United States Dollar	28	1
Hong Kong Dollar	4	49
Malaysian Ringgit	52	83

19 Trade payables

Trade payables are non-interest bearing. Current balances are normally settled on 14 to 60 days' terms. Non-current balances are not expected to be settled within the next twelve months.

20. Other payables and accruals

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Accrued operating expenses	53,539	53,874	2,468	2,752
Advance payments	963	983	–	–
Other payables	5,106	4,802	509	229
Interest payable	14	113	1	19
Interest payable – term notes, unsecured	1,424	1,433	1,424	1,433
Amount due to an associate	458	409	–	–
	61,504	61,614	4,402	4,433
Represented by:				
Current	61,165	61,071	4,402	4,433
Non-current	339	543	–	–
	61,504	61,614	4,402	4,433

Other payables are non-interest bearing. Current balances are normally settled on 30 days' terms.

20. Other payables and accruals (cont'd)

As at the end of the reporting period, the Group's other payables and accruals denominated in foreign currencies are as follows:

	Group	
	2015	2014
	$'000	$'000
Chinese Renminbi	5,539	5,438
United States Dollar	81	84
Hong Kong Dollar	471	427
Malaysian Ringgit	3	16

21. Bank term loans, secured

		Group		Company	
	Note	2015	2014	2015	2014
		$'000	$'000	$'000	$'000
SGD Term loan - leasehold factory building	(a)	–	732	–	–
SGD Term loans - investment properties	(b)	6,516	5,318	–	–
RMB Term loan - investment property	(c)	7,313	7,974	–	–
SGD Term loan (short term)	(d)	6,000	6,000	6,000	6,000
		19,829	20,024	6,000	6,000
Due within 12 months		8,033	9,132	6,000	6,000
Due after 12 months		11,796	10,892	–	–
		19,829	20,024	6,000	6,000

(a) This bank loan bore an effective interest rate of 5.00% per annum and was settled in full during the financial year ended 31 March 2015.

(b) These bank loans bear effective interest rates ranging from 1.78% to 2.13% (2014: 1.63% to 2.80%) per annum. These term loans are repayable by monthly instalments over 15 years, commencing on their respective drawdown dates.

The term loans are secured by the following:

(i) first legal mortgage on the investment properties (Note 8);

(ii) charge on structured deposits amounting to $987,000 (2014: $1,056,000) (Note 12); and

(iii) corporate guarantee from the Company (Note 37).

21. Bank term loans, secured (cont'd)

(c) This bank loan bears interest ranging from 5.66% to 6.03% (2014: 6.03%) per annum. The term loan is repayable by quarterly instalments over 10 years, commencing on February 2010.

This loan is secured by a first charge over the investment property located in Tianjin, the People's Republic of China.

(d) This bank loan bears interest ranging from 1.87% to 2.51% (2014: 1.81% to 1.91%) per annum. The term loan is repayable on demand by the bank but is available for rollover for periods ranging from 1 to 6 months.

The loan is secured by a charge on fixed deposits amounting to $2,042,000 (2014: $2,028,000) (Note 17).

22. Bills payable to banks, secured

Bills payable to banks bear interest at rates ranging from 2.93% to 3.72% (2014: 1.66% to 3.07%) per annum. These bills payable will mature within 2 to 4 months (2014: 1 to 5 months) from year-end.

Bills payable to banks are secured by the following:

(i) legal mortgage over a leasehold factory building of a subsidiary (Note 4);

(ii) first legal mortgage on an investment property (Note 8);

(iii) charge on fixed deposits and structured deposits amounting to $14,030,000 (2014: $13,986,000) and $987,000 (2014: $1,056,000) respectively (Notes 17 and 12);

(iv) first charge over the contract proceeds and project account arising from a construction project (Note 13); and

(v) corporate guarantee from the Company (Note 37).

23. Term notes, unsecured

On 5 July 2013, the Company established a S$300,000,000 Multicurrency Medium Term Note Program (the "Program"). On 20 November 2013, the Company issued $75,000,000 of notes under the Program. These notes are unsecured, bear interest at a fixed rate of 5.25% per annum and are repayable in May 2016.

24. Share capital

	2015		2014	
	Number of shares	$'000	**Number of shares**	$'000
Group and Company				
Issued and fully paid ordinary shares:				
At beginning and end of the financial year	414,353,307	50,915	414,353,307	50,915

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

25. Treasury shares

	2015		2014	
	Number of shares	$'000	**Number of shares**	$'000
Group and Company				
At beginning of the financial year	–	–	–	–
Acquired during the financial year	1,637,000	851	–	–
At end of the financial year	1,637,000	851	–	–

Treasury shares relate to ordinary share of the Company that are held by the Company.

During the financial year ended 31 March 2015, the Company acquired 1,637,000 ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

26. Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

27. Other reserves

		Group		Company	
		2015	2014	2015	2014
		$'000	$'000	$'000	$'000
Statutory reserves	(a)	894	895	–	–
General reserves	(b)	89	89	–	–
Warrant reserves	(c)	2,156	2,156	2,156	2,156
Other reserves	(d)	(107)	(107)	–	–
		3,032	3,033	2,156	2,156

Movement

(a) ***Statutory reserves***

	Group	
	2015	2014
	$'000	$'000
At 1 April	895	757
Transferred from retained earnings	(1)	138
At 31 March	894	895

In accordance with the Foreign Enterprise Law applicable to a subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(b) ***General reserves***

	Group	
	2015	2014
	$'000	$'000
At 1 April	89	75
Transferred from retained earnings	–	14
At 31 March	89	89

In accordance with the "Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment" and the Group's PRC subsidiaries' Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund is determined by the Board of Directors of the PRC subsidiaries.

27. Other reserves (cont'd)

(c) ***Warrant reserves***

Warrant reserves comprise proceeds from the issue of warrants and a capital gain on re-issuance of treasury shares of $642,000 during the financial year ended 31 March 2013.

(d) ***Other reserves***

Other reserves represent the premium paid on acquisition of non-controlling interests of $107,000 during the financial year ended 31 March 2014.

28. Other income

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Gain on sale of plant and equipment	46	74	–	–
Interest income	9,981	2,675	3,140	691
Other income	1,095	1,331	–	–
Gain on fair value adjustments of investment properties	1,292	4,022	–	–
Fair value loss on structured deposits	–	(46)	–	–
Foreign exchange gain	171	546	7	–
Dividend income from a subsidiary	–	–	6,000	30,000
Management and administrative fee income from associates/subsidiaries	465	813	4,998	4,073
	13,050	9,415	14,145	34,764

29. Personnel expenses

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Salaries, wages and bonuses	8,185	6,135	3,579	3,734
Central Provident Fund and other pension costs	1,184	893	36	35
Directors' fees	180	236	180	236
Other personnel expenses	1,455	1,791	52	37
	11,004	9,055	3,847	4,042

29. Personnel expenses (cont'd)

The above includes compensation of key management personnel.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Compensation of key management personnel				
Salaries, wages and bonuses	3,579	3,734	3,579	3,734
Central Provident Fund and other pension costs	36	35	36	35
Directors' fees	180	236	180	236
Total compensation paid to key management personnel	3,795	4,005	3,795	4,005
Comprise amounts paid to:				
- Directors of the Company	3,321	3,513	3,321	3,513
- Other key management personnel	474	492	474	492
	3,795	4,005	3,795	4,005

30. Finance costs

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Interest expense				
- finance leases	10	1		–
- term loans	688	672	115	112
- bills payable	304	971	–	–
- term notes, unsecured	3,929	1,433	3,929	1,433
- others	1,092	12	64	26
	6,023	3,089	4,108	1,571
Others				
- bank charges	68	109	3	1
	6,091	3,198	4,111	1,572

31. Other operating expenses

The following items have been included in other operating expenses:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000 (Restated)	$'000	$'000
Audit fees	288	284	133	133
Non audit fees paid to:				
Auditor of the Company	103	69	41	10
Allowance for doubtful debts	40	70	–	–
Foreign exchange loss	417	492	–	–
Operating lease expenses	592	352	–	–
Fair value loss on structured deposits	69	46	–	–
Loss on sale of plant and equipment	21	17	–	–
Loss on sale of investment properties	60	–	–	–
Legal expenses	–	200	–	–

32. Tax expense and deferred tax

Major components of income tax expense for the financial years ended 31 March are:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Current tax				
- current year	2,674	3,302	17	55
- under provision in respect of previous years	607	12	60	19
Deferred tax				
- current year	515	1,068	–	–
Tax expense recognised in profit or loss	3,796	4,382	77	74

32. Tax expense and deferred tax (cont'd)

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Profit from operations before share of results of associates and joint ventures	19,612	22,188	5,003	28,499
Tax at the domestic rates applicable to profit in the countries concerned[1]	6,938	4,457	851	4,845
Tax effect of:				
- Expenses not deductible	262	332	187	318
- Deferred tax assets not recognised	3	(84)	–	–
- Tax rebates and exemption	(50)	(96)	(1)	(8)
- Non-taxable income	(4,255)	(123)	(1,020)	(5,100)
- Under provision in respect of previous years	607	12	60	19
- Withholding tax expense	226	178	–	–
- Others	65	(56)	–	–
- Benefits from previously unrecognised tax losses	–	(238)	–	–
Tax expense recognised in profit or loss	3,796	4,382	77	74

[1] This is prepared by aggregating separate reconciliations for each national jurisdiction.

Deferred tax liabilities

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Deferred tax liabilities:				
Differences in depreciation	1,007	1,039	–	–
Tax effect on revaluation of investment properties	17,746	15,926	–	–
Others	2,043	1,862	–	–
	20,796	18,827	–	–
Deferred tax assets:				
Employee benefits	(106)	(83)	–	–
Unclaimed productivity and innovation allowance	–	(134)	–	–
Others	–	(6)	–	–
	20,690	18,604	–	–

33. Earnings per share

Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial year.

Diluted earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

	Group	
	2015	**2014**
	$'000	$'000
Profit net of tax attributable to owners of the Company used in the computation of earnings per share	41,655	44,790
	2015	**2014**
	'000	'000
Weighted average number of ordinary shares for computing basic and diluted earnings per share	412,716	414,353
Basic and diluted earnings per share (cents)	10.09	10.81

34. Dividends

	Group and Company	
	2015	**2014**
	$'000	$'000
Dividends paid during the financial year:		
Dividends on ordinary shares:		
- Interim exempt (one-tier) dividend for 2015: 1.25 cents (2014: 1.25 cents) per share	5,180	5,180
- Final exempt (one-tier) dividend for 2014: 1.75 cents (2013: 1.15 cents) per share:	7,251	4,765
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
- Final exempt (one-tier) dividend for 2015: 1.50 cents (2014: 1.75 cents) per share	6,191	7,251

34. Dividends (cont'd)

The Directors have proposed a final tax-exempt (one-tier) dividend of 1.50 cents per share ("Proposed Final Dividend for FY 2015"), amounting to approximately $6,191,000 be paid in respect of the financial year ended 31 March 2015. The dividend will be recorded as liability in the balance sheets of the Company and Group upon approval by the shareholders at the Annual General Meeting of the Company.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

35. Related party transactions

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

	Group	
	2015	**2014**
	$'000	$'000
Construction services rendered to:		
- Related companies	1,412	1,081
- Associates	–	1,493
At 31 March	1,412	2,574

36. Segment information

Reporting format

The Group's primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets.

Business segments

The construction segment relates to acting as main contractors in construction projects in Singapore and Malaysia, and provision of services mainly to property developers in both the private and public sectors.

The property development and management segment relates to the development and sales of properties and the provision of property management services.

The others segment relates to general corporate and investment holding activities.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Revenue disclosed in geographical segments is based on the geographical location of operations.

36. Segment information (cont'd)

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax liabilities and corporate liabilities.

Segment accounting policies are the same as the policies described in Note 2.

(a) ***Business segments***

The following tables present revenue and results information regarding the Group's business segments for the financial years ended 31 March 2015 and 2014.

There are no inter-segment sales within the Group.

	Construction	Property development and management	Others	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
2015					
Revenue					
- external sales	239,911	6,180	–	–	246,091
Segment results	17,450	3,118	(4,846)	–	15,722
Share of results of associates and joint ventures	–	26,127	124	–	26,251
Interest income	407	24	9,550	–	9,981
Finance costs	(382)	(474)	(5,235)	–	(6,091)
Profit/(loss) before taxation	17,475	28,795	(407)		45,863
Tax expense					(3,796)
Non-controlling interests					(412)
Net profit attributable to owners of the Company					41,655
Segment assets	192,872	132,201	75,186	(91,725)	308,534
Interests in associates	–	137,263	5,258	–	142,521
Interests in joint ventures	–	49,007	–	–	49,007
Total assets					500,062

36. Segment information (cont'd)

(a) *Business segments (cont'd)*

	Construction	Property development and management	Others	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
Segment liabilities	116,812	22,555	34,751	(69,680)	104,438
Borrowings	1,981	13,829	80,433	–	96,243
Unallocated liabilities					22,420
Total liabilities					223,101
Other segment information:					
Capital expenditures	1,526	7	–	–	1,533
Investment properties	–	2,788	–	–	2,788
Depreciation of property, plant and equipment	1,834	32	–	–	1,866

36. Segment information (cont'd)

(a) ***Business segments (cont'd)***

	Construction	Property development and management	Others	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
2014 (Restated)					
Revenue					
- external sales	285,677	6,294	–	–	291,971
Segment results	21,034	5,422	(3,745)	–	22,711
Share of results of associates and joint ventures	–	28,111	39	–	28,150
Interest income	223	25	2,427	–	2,675
Finance costs	(1,155)	(484)	(1,559)	–	(3,198)
Profit/(loss) before taxation	20,102	33,074	(2,838)	–	50,338
Tax expense					(4,382)
Non-controlling interests					(1,166)
Net profit attributable to owners of the Company					44,790
Segment assets	184,075	113,462	78,326	(43,756)	332,107
Interests in associates	–	122,514	5,132	–	127,646
Interests in joint ventures	–	14,794	–	–	14,794
Total assets					474,547
Segment liabilities	87,386	18,385	21,713	(31,464)	96,020
Borrowings	26,556	11,934	79,931	–	118,421
Unallocated liabilities					21,330
Total liabilities					235,771
Other segment information:					
Capital expenditures	1,372	6	–	–	1,378
Investment properties	–	3,219	–	–	3,219
Depreciation of property, plant and equipment	1,716	44	–	–	1,760

36. Segment information (cont'd)

(b) *Geographical segments*

The following tables present revenue, capital expenditures and certain asset information regarding the Group's geographical segments for the financial years ended 31 March 2015 and 2014.

There are no inter-segment sales within the Group.

	Singapore	Malaysia	Cambodia	The People's Republic of China	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2015						
Revenue	240,130	–	–	5,961	–	246,091
Segment assets	216,052	402	–	117,362	(25,282)	308,534
Interests in associates	126,767	1,356	3	14,395	–	142,521
Interests in joint ventures	49,007	–	–	–	–	49,007
Total assets						500,062
Other segment information:						
Capital expenditures	1,526	–	–	7	–	1,533
Investment properties	2,788	–	–		–	2,788

	Singapore	Malaysia	Cambodia	The People's Republic of China	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2014 (Restated)						
Revenue	285,796	–	–	6,175	–	291,971
Segment assets	246,450	1,527	–	107,615	(23,485)	332,107
Interests in associates	102,613	1,414	9,752	13,867	–	127,646
Interests in joint ventures	14,794	–	–	–	–	14,794
Total assets						474,547
Other segment information:						
Capital expenditures	1,372	–	–	6	–	1,378
Investment properties	3,219	–	–	–	–	3,219

37. Contingent liabilities and commitments

(a) *Contingent liabilities*

Guarantees

The Group and Company have provided the following guarantees at the end of the reporting period.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Guarantees given to financial institutions in connection with facilities given to:				
(a) subsidiaries *	–	–	463,634	350,758
(b) associates	296,401	207,151	296,401	207,151
(c) joint ventures	81,075	32,970	81,075	32,970

* As at 31 March 2015, the total amount of facilities utilised was $93,720,000 (2014: $96,950,000).

Based on information currently available, the Group and Company do not expect any liabilities to arise from the guarantees.

(b) *Operating lease commitments as lessees*

The Group has operating lease commitments on the land that the factory buildings are located and on certain office equipment. Most of these leases contain renewable options. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. These non-cancellable operating leases have remaining lease terms of 1 to 39 (2014: 1 to 40) years.

Future minimum lease payments payable under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Future minimum lease payments		
- not later than one year	312	312
- later than one year but not later than five years	1,185	1,109
- later than five years	6,378	6,299
	7,875	7,720

37. Contingent liabilities and commitments (cont'd)

(c) *Operating lease commitments as lessors*

The Group entered into commercial and residential property leases on its investment properties under non-cancellable operating leases. These leases have remaining non-cancellable lease terms of up to 7 (2014: 8) years.

Future minimum lease payments receivable under the non-cancellable operating leases as at 31 March are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Not later than one year	4,426	3,972
Later than one year but not later than five years	4,905	5,363
Later than five years	1,582	1,988
	10,913	11,323

38. Fair value of assets and liabilities

(a) *Fair value hierarchy*

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

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

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

38. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value***

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

	Group 2015 $'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Recurring fair value measurements				
Assets				
Financial assets				
Financial assets at fair value through profit or loss				
Structured deposits (Note 12)	–	987	–	987
Other investments	1	–	–	1
Financial assets as at 31 March 2015	1	987	–	988
Non-financial assets				
Investment properties (Note 8)				
Commercial	–	–	115,613	115,613
Residential	–	16,100	–	16,100
Non-financial assets as at 31 March 2015	–	16,100	115,613	131,713

38. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Group 2014 $'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Recurring fair value measurements				
Assets				
Financial assets				
Financial assets at fair value through profit or loss				
Structured deposits (Note 12)	–	1,056	–	1,056
Other investments	1	–	–	1
Financial assets as at 31 March 2014	1	1,056	–	1,057
Non-financial assets				
Investment properties (Note 8)				
Commercial	–	–	104,256	104,256
Residential	–	12,977	–	12,977
Non-financial assets as at 31 March 2014	–	12,977	104,256	117,233

38. Fair value of assets and liabilities (cont'd)

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Structured deposits

Structured deposits are valued using a valuation technique with market observable inputs. These inputs include quoted prices in active markets for investments linked to these deposits and credit quality of counterparties.

Residential investment properties

The valuation of residential investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

(d) ***Level 3 fair value measurements***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 March 2015	Valuation techniques	Unobservable inputs	Range
Investment Properties:				
Commercial	115,613	Market comparable approach	Yield adjustments based on management's assumptions *	10% to 20%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For commercial investment properties, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

38. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements* (cont'd)**

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Effect of reasonably possible alternative assumptions	
	Carrying amount	Profit or loss
	$'000	$'000
Recurring fair value measurements		
Investment properties:		
Commercial	115,613	3,468

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- For commercial investment properties, the Group adjusted the yield adjustments based on management's assumption by increasing and decreasing the adjustments by 3% depending on nature, location or condition of the specific property.

(ii) Movements in Level 3 assets measured at fair value

During the financial year, the Group recognised gains from fair value adjustments of commercial investment properties which amounted to $957,000 (net of translation difference). The disclosure of the movement in the investment properties balance in Note 8 constitutes a reconciliation of the movement of assets which are measured at fair value based on significant unobservable inputs.

(iii) Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, Management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

38. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements*** **(cont'd)**

(iii) Valuation policies and procedures (cont'd)

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

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value***

The fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value is as follows:

	Group			
	2015		**2014**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair Value**
	$'000	$'000	$'000	$'000
Financial liabilities:				
Bank term loans, fixed interest rates	5,784	5,945	726	732

Fair value information has not been disclosed for non-current receivables and payables. These balances have no fixed terms of repayment and are repayable only when the cash flows of the Company or counterparty permit. Accordingly, the fair values of these balances cannot be determined as the timing of the cash flows cannot be estimated reliably.

39. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The Group currently does not actively pursue a policy of hedging these risks through the use of derivatives.

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

(i) ***Liquidity risk***

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

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

39. Financial risk management objectives and policies (cont'd)

(i) *Liquidity risk (cont'd)*

The following table sets out the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	Within 1 year	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2015				
Group				
Trade and other payables	86,612	3,967	–	90,579
Loans and borrowings	11,552	89,286	3,878	104,716
Company				
Trade and other payables	4,402	–	–	4,402
Loans and borrowings	7,436	79,471	–	86,907
2014 (restated)				
Group				
Trade and other payables	78,651	8,335	–	86,986
Loans and borrowings	34,894	91,390	3,901	130,185
Company				
Trade and other payables	4,433	–	–	4,433
Loans and borrowings	7,962	82,891	–	90,853

Undiscounted loan payments with variable rates had been determined with reference to conditions existing as at the end of the reporting period.

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Total	Within 1 year	Within 1 to 5 years
	$'000	$'000	$'000
As at 31 March 2015			
Group			
Financial guarantees	377,475	377,475	–
Company			
Financial guarantees	841,110	841,110	–

39. Financial risk management objectives and policies (cont'd)

(i) *Liquidity risk (cont'd)*

	Total	Within 1 year	Within 1 to 5 years
	$'000	$'000	$'000
As at 31 March 2014			
Group			
Financial guarantees	240,121	240,121	–
Company			
Financial guarantees	590,879	590,879	–

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and Company's exposure to interest rate risk arises primarily from bank borrowings and loans, which comprise a mixture of fixed and floating rate debts. The floating rate debts are contractually re-priced at intervals of 1 to 6 months.

The Group currently does not actively pursue a policy of hedging this risk through the use of derivatives. Instead, the Group manages interest cost by borrowing at the most competitive rates under the most favourable terms and conditions.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2014: 10) basis points lower with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be $9,000 (2014: $14,000) higher; if the interest rates had been 10 (2014: 10) basis points higher with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be $9,000 (2014: $14,000) lower.

(iii) *Foreign currency risk*

Foreign currency risk arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The functional currencies of the Group entities are primarily SGD, Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD").

The Group has minimal transactional currency exposures arising from sales or purchases of goods and services that are denominated in a currency other than the respective functional currencies of the Group entities. Similarly, the Group has minimal exposure to translation risk on its trade and other receivables and payables at the end of the reporting period as these balances are largely denominated in the functional currencies of the respective Group entities. It is the Group's policy to conduct transactions in the respective functional currencies of the Group entities where possible so as to minimise the Group's exposure to foreign currency risk.

39. Financial risk management objectives and policies (cont'd)

(iii) *Foreign currency risk (cont'd)*

The Group holds cash and cash equivalents denominated in currencies other than SGD for working capital purposes. As at the balance sheet date, the carrying amounts of cash and cash equivalents denominated in currencies other than SGD, are disclosed in Note 18.

Certain Group entities provide financing to other Group entities, either in the functional currencies of the lender or borrower, or in currencies other than the functional currencies of the Group entities. Certain long-term financing forms part of the Group's net investments in those Group entities and the resulting exchange differences are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement only on disposal of those Group entities. Such balances are denominated primarily in RMB, HKD, MYR and United States Dollar ("USD"). The Group currently does not actively pursue a policy of hedging its net investments in the Group entities as such currency positions are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the HKD, RMB, SGD, MYR and USD exchange rates against the functional currencies of the Group entities, in SGD equivalent, with all other variables held constant, on the Group's profit net of tax and equity.

		2015		2014	
		Profit net of tax	**Equity**	**Profit net of tax**	**Equity**
		$'000	$'000	$'000	$'000
USD	- strengthened by 3% (2014: 3%)	160	160	140	140
	- weakened by 3% (2014: 3%)	(160)	(160)	(140)	(140)
RMB	- strengthened by 3% (2014: 3%)	358	358	326	326
	- weakened by 3% (2014: 3%)	(358)	(358)	(326)	(326)
HKD	- strengthened by 3% (2014: 3%)	28	28	26	26
	- weakened by 3% (2014: 3%)	(28)	(28)	(26)	(26)
SGD	- strengthened by 3% (2014: 3%)	–	–	(36)	(36)
	- weakened by 3% (2014: 3%)	–	–	36	36
MYR	- strengthened by 3% (2014: 3%)	(3)	(3)	(42)	(42)
	- weakened by 3% (2014: 3%)	3	3	42	42

39. Financial risk management objectives and policies (cont'd)

(iv) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets; and

- Corporate guarantee provided by the Company for banking facilities granted to subsidiaries, associates and a joint venture (Note 37).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2015		**2014**	
	$'000	% of total	$'000	% of total
Group				
By country:				
Singapore	59,014	100	47,789	100
By industry sector:				
Construction	59,014	100	47,789	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

40. Classification of financial instruments

The table below is an analysis of the carrying amounts of financial instruments as at 31 March by categories as defined in FRS 39:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss - designated as such on initial recognition				
Structured deposits	987	1,056	–	–
Other investments	1	1	–	–
	988	1,057	–	–
Loans and receivables				
Loans due from associates	64,960	46,228	–	–
Amounts due from associates	9,107	18,272	–	–
Loans due from joint ventures	43,828	15,825	–	–
Amounts due from joint ventures	6,408	–	–	–
Other receivables (non-current)	724	–	–	–
Amount due from a minority shareholder of a subsidiary (non-trade)	2,486	2,259	–	–
Amounts due from subsidiaries (non-trade)	–	–	137,094	81,476
Trade receivables	59,014	47,789	–	–
Other receivables and deposits	1,456	1,342	23	20
Fixed deposits	82,431	126,297	12,063	31,228
Cash and bank balances	12,693	12,174	742	1,778
	283,107	270,186	149,922	114,502
Financial liabilities measured at amortised cost				
Trade payables	29,075	25,372	–	–
Other payables and accruals	61,504	61,614	4,402	4,433
Amounts due to joint ventures	–	39	–	–
Amounts due to subsidiaries	–	–	4,444	1,887
Loan due to an associate	720	720	–	–
Bank loans	19,829	20,024	6,000	6,000
Bills payable	1,438	24,466	–	–
Finance lease obligations	544	–	–	–
Term notes, unsecured	74,432	73,931	74,432	73,931
	187,542	206,166	89,278	86,251

41. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

As disclosed in Note 27, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund and enterprise expansion fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 March 2015 and 31 March 2014. The percentage to be appropriated to the above mentioned funds is determined by the Board of Directors of the PRC subsidiaries.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group includes within net debt, loans and borrowings, trade and other payables less cash and cash equivalents. Capital includes equity attributable to the owners of the Company less the abovementioned restricted statutory reserve fund and general reserve fund.

	Note	Group 2015 $'000	Group 2014 $'000
Loans and borrowings		96,243	118,421
Trade and other payables		90,579	86,986
Less: Cash and cash equivalents	18	(95,124)	(138,471)
Net debt		91,698	66,936
Equity attributable to the owners of the Company		253,282	217,257
Less: Statutory reserve fund		(894)	(895)
General reserve fund		(89)	(89)
Total capital		252,299	216,273
Capital and net debt		343,997	283,209
Gearing ratio		27%	24%

The Group is also required by certain banks to maintain certain gross debt-to-equity ratios and shareholders' funds. The Group is in compliance with all externally imposed capital requirements for the financial year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

42. Events occurring after the reporting period

(a) *Incorporation of new subsidiary KSH Asia Property Pte. Ltd.*

On 6 April 2015, the Company incorporated a wholly-owned subsidiary, KSH Asia Property Pte. Ltd. ("KSHAP"). The principal activities of KSHAP are those of investment holding and real estate development.

(b) *Incorporation of new subsidiary KSH Global Investment Pte. Ltd.*

On 22 June 2015, Kim Seng Heng Realty Pte Ltd ("KSHR"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, KSH Global Investment Pte. Ltd. ("KSHGI"). The principal activities of KSHGI are those of holding of assets and property development.

(c) *Investment in Glenthorne Pte. Ltd.*

On 7 April 2015, KSH Land Development Pte. Ltd. ("KSHLD"), a wholly-owned subsidiary of the Group, together with Heeton Capital Pte. Ltd. ("Heeton"), RMTL Investment Pte. Ltd. ("RMTL") and LB Property (S) Pte. Ltd. ("LB"), incorporated a company, Glenthorne Pte. Ltd. ("Glenthorne"). KSHLD, Heeton, RMTL and LB hold equity interest of 10%, 60%, 20% and 10% respectively. The principal activities of Glenthorne are those of property development.

43. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 26 June 2015.

STATISTICS OF SHAREHOLDINGS
AS AT 19 JUNE 2015

Issued and Fully Paid Capital	:	S$54,124,915.22
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Total no. of issued Ordinary Shares (excluding treasury shares)	:	412,716,307
Total no. of treasury shares	:	1,637,000

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1	-	99	4	0.22	103	0.00
100	-	1,000	97	5.39	53,571	0.01
1,001	-	10,000	609	33.88	3,744,673	0.91
10,001	-	1,000,000	1,059	58.90	68,832,306	16.68
1,000,001	and above		29	1.61	340,085,654	82.40
TOTAL			**1,798**	**100.00**	**412,716,307**	**100.00**

The percentage of shareholdings in the hands of the public as at 19 June 2015 was approximately 40.16% and hence the Company has complied with Rule 723 of the Listing Manual which states that an issuer must ensure that at least 10% of the total numbers of issued shares excluding treasury shares is at all times held by the public.

The Company holds 1,637,000 treasury shares as at 19 June 2015, representing 0.397% of the total number of issued ordinary shares excluding treasury shares.

TWENTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES	%
1.	CHOO CHEE ONN	79,158,763	19.18
2.	KWOK NGAT KHOW	59,094,745	14.32
3.	TOK CHENG HOE	59,094,745	14.32
4.	LIM KEE SENG	49,627,171	12.02
5.	OCBC SECURITIES PRIVATE LIMITED	11,378,790	2.76
6.	DBS NOMINEES (PRIVATE) LIMITED	9,876,379	2.39
7.	CIMB SECURITIES (SINGAPORE) PTE. LTD.	9,128,318	2.21
8.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,563,000	1.83
9.	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,724,400	1.63
10.	UOB KAY HIAN PRIVATE LIMITED	6,358,697	1.54
11.	PHILLIP SECURITIES PTE LTD	5,434,700	1.32
12.	PANG HENG KWEE	5,200,000	1.26
13.	CHUA SIAK NENG	4,733,787	1.15
14.	GOH KIA HUA	4,733,787	1.15
15.	CHEE SWEE HENG	3,310,000	0.80
16.	CHOO POW LIAN	2,000,000	0.48
17.	LIM & TAN SECURITIES PTE LTD	1,746,600	0.42
18.	HSBC (SINGAPORE) NOMINEES PTE LTD	1,574,195	0.38
19.	RAFFLES NOMINEES (PTE) LIMITED	1,483,600	0.36
20.	ANG JUI KHOON	1,447,400	0.35
	TOTAL	**329,669,077**	**79.87**

STATISTICS OF SHAREHOLDINGS

AS AT 19 JUNE 2015

SUBSTANTIAL SHAREHOLDERS

(As shown in the Company's Register of Substantial Shareholders as at 19 June 2015)

NAME	NO. OF SHARES	%
CHOO CHEE ONN	79,158,763	19.18
KWOK NGAT KHOW	59,094,745	14.32
TOK CHENG HOE	59,094,745	14.32
LIM KEE SENG	49,627,171	12.02
YIP SAU LEUNG[1]	33,026,600	8.00

Note:

(1) Yip Sau Leung's shareholding interest of 33,026,600 shares in the Company is held through various nominees.

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 9th Annual General Meeting of **KSH HOLDINGS LIMITED** will be held at 60 Eu Tong Sen Street, Furama City Centre, Heritage, Level 2, Singapore 059804 on Friday, 24 July 2015 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the audited accounts for the financial year ended 31 March 2015 and the Reports of the Directors and Auditor. **[Resolution 1]**

2. To declare a final tax exempt (one-tier) dividend of 1.50 cents per share for the financial year ended 31 March 2015. **[Resolution 2]**

3. To approve Directors' fees of S$180,000 to be paid quarterly in arrears for the financial year ending 31 March 2016 to the Independent Directors. (2015: S$180,000) **[Resolution 3]**

4. To re-elect the following Directors who retire in accordance with Article 89 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   (a) Mr Kwok Ngat Khow **[Resolution 4]**
   (b) Mr Lim Yeow Hua @ Lim You Qin **[Resolution 5]**

   Mr Kwok Ngat Khow will, upon re-appointment as a Director of the Company, remain as an Executive Director.

   Mr Lim Yeow Hua @ Lim You Qin will, upon re-appointment as a Director of the Company, remain an Independent Director of the Company as well as the Chairman of the Audit and Risk Committee and a member of each of the Remuneration Committee and Nominating Committee and will be considered independent of Management.

5. To re-appoint Messrs Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration. **[Resolution 6]**

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares up to 50 per centum (50%) of the total number of issued shares** **[Resolution 7]**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares excluding treasury shares issued by the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares issued by the Company. For the purpose of this resolution, the total number of issued shares excluding treasury shares to be issued by the Company shall be based on the total number of issued shares excluding treasury shares issued by the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and any subsequent bonus issue, consolidation or subdivision of shares in the Company), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

7. That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the KSH Scrip Dividend Scheme. **[Resolution 8]**

8. **The proposed renewal of the Share Purchase Mandate** **[Resolution 9]**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) on-market purchases (each a "**Market Purchase**") transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with the Companies Act, the Listing Manual and all other laws, rules and regulations as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which purchases of Shares have been carried out to the full extent permitted under the Share Purchase Mandate; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the issued Shares (excluding treasury shares), as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting of the Company was held or required by law to be held and expiring on the date the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, 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; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

"**Average Closing Price**" is the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, preceding the date of the Market Purchase, or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after such five-day period; 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 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; and

(d) the Directors 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, necessary or desirable to give effect to the transactions contemplated by this Resolution.

9. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD
KSH HOLDINGS LIMITED

Tang Hay Ming Tony
Ong Beng Hong
Company Secretaries

8 July 2015

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

(i) Resolution 7 authorises the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to 50% of the Company's total number of issued shares excluding treasury shares in the capital of the Company, with an aggregate sub-limit of 20% of the Company's total number of issued shares excluding treasury shares for any issue of shares and convertible securities not made on a pro-rata basis to existing shareholders of the Company, as more particularly set out in the resolution.

(ii) Resolution 8 authorises the Directors of the Company to issue shares pursuant to the KSH Scrip Dividend Scheme to members who in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of qualifying dividend.

(iii) Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Purchase Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The information relating to the Resolution 9 is set out in the Appendix enclosed together with the Annual Report.

NOTES:

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

2) The instrument appointing a proxy must be deposited at the Company's Registered Office, 36, Senoko Road Singapore 758108, not less than 48 hours before the time fixed for holding the Meeting.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where a member discloses the personal data of the member's proxy (ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and /or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, 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 9TH ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 14 August 2015 for the purpose of determining Members' entitlements to the proposed final dividend.

Duly completed and stamped registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 14 August 2015 will be registered to determine shareholders' entitlements to the proposed final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with the Company's shares at 5.00 p.m. on 14 August 2015 will be entitled to the proposed final dividend.

Payment of the proposed final dividend, if approved by the members at the 9th Annual General Meeting to be held on 24 July 2015 will be paid on or about 21 August 2015.

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KSH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Registration No. 200603337G

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

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

I/We, ______________________________ (Name)

of ______________________________ (Address)

being a member/members of KSH Holdings Limited (the "**Company**"), hereby appoint

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to vote for me/us and attend on my/our behalf and, if necessary, to demand a poll, at the 9th Annual General Meeting ("**Meeting**") of the Company to be held at 60 Eu Tong Sen Street, Furama City Centre, Heritage, Level 2, Singapore 059804 on Friday, 24 July 2015 at 9.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions to be proposed at the Meeting as indicated hereunder. 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 Meeting).

No.	**Resolutions relating to**	**For**	**Against**
1.	To receive the Reports and Audited Accounts for the financial year ended 31 March 2015		
2.	To approve a final tax-exempt (one-tier) dividend of 1.50 cents per share for the financial year ended 31 March 2015		
3.	To approve Directors' Fees S$180,000 for the financial year ending 31 March 2016 to the Independent Directors		
4.	To re-elect Mr Kwok Ngat Khow as a Director retiring under Article 89		
5.	To re-elect Lim Yeow Hua @ Lim You Qin as a Director retiring under Article 89		
6.	To re-appoint Ernst & Young LLP as Auditor		
7.	To authorise the Directors to allot and issue new shares		
8.	To authorise the Directors to allot and issue shares pursuant to the KSH Scrip Dividend Scheme		
9.	To approve the renewal of the Share Purchase Mandate		

Dated this ______ day of ______________ 2015

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

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

IMPORTANT: Please read notes overleaf

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

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

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 36, Senoko Road Singapore 758108, not less than 48 hours before the time appointed for the Annual General Meeting.

5. 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.

6. A corporation which is a member may authorise by 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 Section 179 of the Singapore Companies Act, Chapter 50.

GENERAL:

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 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 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting and/or any adjournment thereof or 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.

Designed
& Produced by
+65 6880 2828 Xpress®

KSH Holdings Limited
Company Registration Number 200603337G

36 Senoko Road Singapore 758108
Tel: +65 6758 2266 Fax: +65 6758 2523