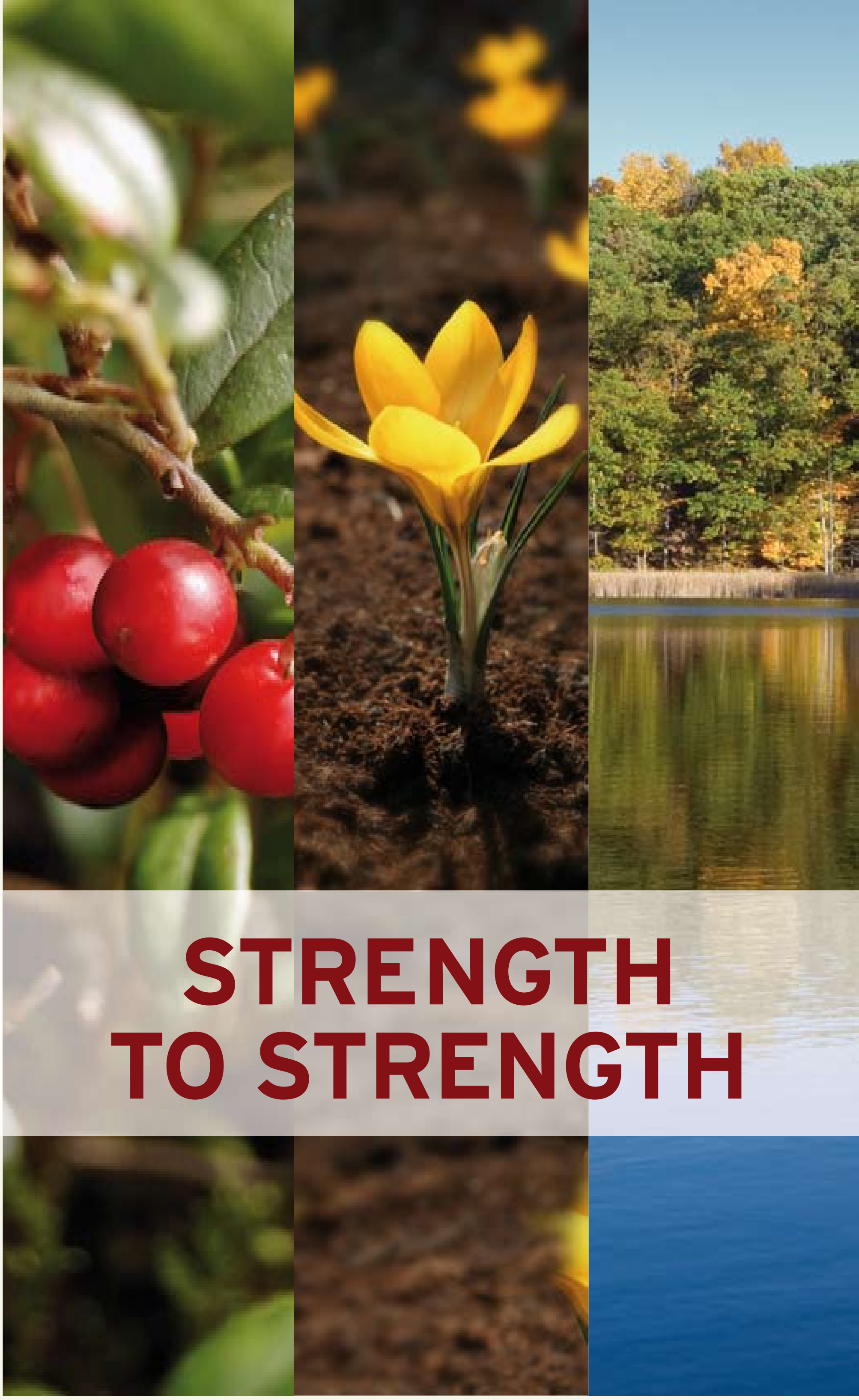


STRENGTH TO STRENGTH

Low Keng Huat (Singapore) Limited

ANNUAL REPORT 07/08

CONTENTS

CORPORATE PROFILE

LOW KENG HUAT (SINGAPORE) LIMITED ("LKHS") IS A BUILDER ESTABLISHED SINCE 1969. TODAY, ITS BUSINESS HAS GROWN TO ENCOMPASS BUILDING CONSTRUCTION, PROPERTY DEVELOPMENT, HOTELS AND INVESTMENTS.

THE COMPANY IS ONE OF THE LARGEST GENERAL BUILDING AND CIVIL ENGINEERING COMPANIES IN SINGAPORE IN TERMS OF CAPITAL EMPLOYED. IT IS AN A1 REGISTERED GENERAL BUILDING CONTRACTOR, THE HIGHEST GRADE UNDER THE BUILDING AND CONSTRUCTION AUTHORITY OF SINGAPORE CLASSIFICATION, AND IS QUALIFIED TO TENDER FOR PUBLIC SECTOR CONTRACTS WITH UNLIMITED TENDER SUMS.

COMPLEMENTING THE CONSTRUCTION ACTIVITY IS THE COMPANY'S PROPERTY DEVELOPMENT BUSINESS IN SINGAPORE AND MALAYSIA.

IN ADDITION, LKHS OWNS AND OPERATES DELUXE HOTELS IN PERTH (AUSTRALIA) AND HO CHI MINH CITY (VIETNAM) UNDER THE IN-HOUSE BRAND DUXTON HOTEL. ITS OTHER HOSPITALITY-RELATED BUSINESS IS FOOD & BEVERAGE BUSINESS IN SINGAPORE. AMONG ITS INVESTMENT PORTFOLIO ARE INVESTMENT PROPERTIES IN SINGAPORE, MALAYSIA AND CHINA.

FRUITFUL
PARTNERSHIPS

No one company can be an island, and today, the name of the game is cooperation. At LKHS, we have many great strengths and assets, but we understand the power of partnering. Together, companies with different areas of expertise can scale unprecedented heights of excellence and deliver the sweetest of results.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT OUR ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008.

Review of Financial Performance

For the financial year ended 31 January 2008, the Group recorded a net profit after tax and minority interests of $13.7 million, an increase of 4% compared to the previous financial year. This result was achieved despite a decline in revenue of 3% to $113 million from previous year.

Corporate Development & Outlook

The Group is cautiously optimistic about its business prospect notwithstanding the impact of the US slowdown on Singapore and the region.

The construction industry is expected to grow above last year's contract awarded value of $24.5 billion. This growth is supported by many high value jobs coming on stream as Singapore transforms itself into a global city that will continue to attract investors. At the same time competition in construction resources with other booming regional economies and inflationary pressures will add pressure to the Group's construction costs.

Hence competitive tender pricing and cost control are two major challenges that the Group will face in the coming year. The Group's strategy is therefore to be selective in project tendering and the Group will secure projects including regional projects that lead to higher growth and profitability.

The Group's strategy is bearing fruits and the Group is pleased and honoured to be awarded two major construction contracts with combined contract value of $492 million for renovations at *Meritus Mandarin Hotel* and building *Hard Rock Hotel* at the Integrated Resort at Sentosa. Both projects will contribute to the performance of the Group in the current and next year. Construction segment will continue to be busy this year with projects in hand.

Development segment will continue to recognise the profits from projects launched and sold by our associated companies. We will also launch our first condominium project, *Panorama*, in Kuala Lumpur, Malaysia.

Our two hotels, *Duxton Hotel Perth* and *Duxton Hotel Saigon*, are expected to continue to perform well in view of the strong economies in Western Australia and Vietnam respectively.

Dividend

The Board is pleased to recommend a first and final tax exempt (one-tier) dividend of 2.5 cents per share. This recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on 30 May 2008. The proposed dividend, if approved by shareholders will be paid on or about 20 June 2008.

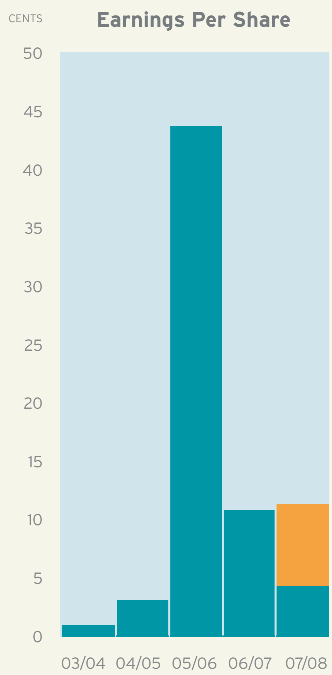
Appreciation

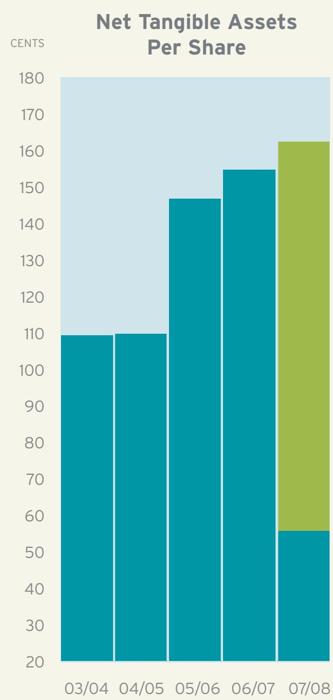
On behalf of the Board, I would like to express my sincere appreciation to the management and staff of the Group for their hard work, dedication and commitment and to our shareholders, associates and customers, for their continued support.

Tan Sri Dato' Low Keng Huat
Non-Executive Chairman

5-YEAR FINANCIAL HIGHLIGHTS

	2003/04	2004/05	2005/06	2006/07	2007/08
OPERATING RESULTS					
Revenue (S$'000)	189,338	140,760	106,224	105,443*	113,322
EBITDA (S$'000)	28,004	21,485	85,642	22,462	27,000
Pretax profit (S$'000)	7,492	4,190	72,363	17,181	19,846
Net profit ($'000)	1,483	3,107	54,608	13,134	13,687
EBITDA margin (%)	14.8	15.3	80.6	21.3	23.8
Pretax margin (%)	4.0	3.0	68.1	16.3	17.5
Net margin (%)	0.8	2.2	51.4	12.5	12.1
FINANCIAL POSITION					
Total assets (S$'000)	313,717	301,975	240,354	270,778	317,416
Total debt (S$'000)	119,458	117,510	9,261	34,964	75,273
Shareholders' equity (S$'000)	134,317	134,309	181,024	190,762	198,865
Net debt:equity (times)	0.75	0.71	-	0.02	0.53
PER SHARE DATA					
Earnings (cents)	1.2	2.6	44.4	10.7	4.17
Gross dividend (cents)	2.0	2.5	7.5	92.5	2.5
Net tangible assets (cents)	110.0	111.0	147.3	154.9	56.2
Year-end share price (cents)	44.0	39.0	92.5	160.0	45
SHAREHOLDERS' RETURNS					
Return on equity (%)	1.1	2.3	30.2	6.9	6.9
Return on assets (%)	0.5	1.0	22.7	4.9	4.3
Dividend yield** (%)	4.5	6.4	8.1	57.8	5.6
Dividend payout ratio (%)	130	78	17	867	60





Earnings per share would have been 11.2 cents if there was no Rights Issue last year.

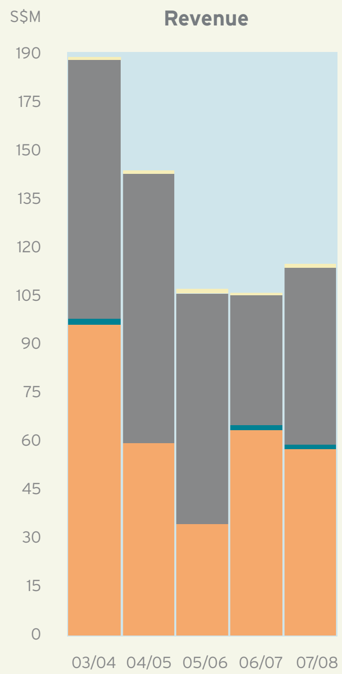
Net tangible assets per share would have been 162 cents if there was no Rights Issue last year.

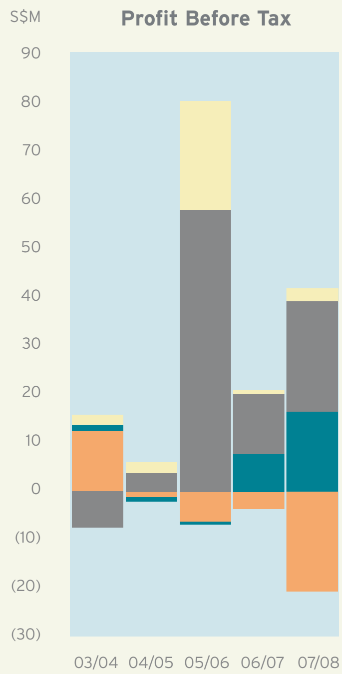
* *Gaming centre revenue of $11.8 million was reclassified to "Concessionary Income" to be consistent with FY07/08.*

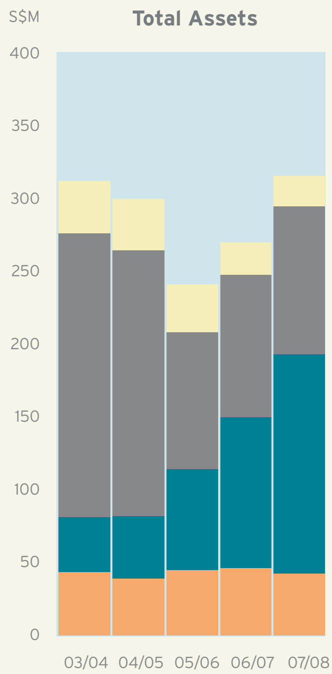
** *Based on financial year-end share price*

5-YEAR SEGMENTAL RESULTS

	2003/04 (S$'000)	2004/05 (S$'000)	2005/06 (S$'000)	2006/07 (S$'000)	2007/08 (S$'000)
REVENUE					
Construction	97,661	59,165	33,384	63,929	56,777
Development	2,501	-	-	255	21
Hotels	88,746	81,230	71,690	40,900*	56,135
Investments	430	365	1,150	359	389
	189,338	140,760	106,224	105,443	113,322
PROFIT BEFORE TAX					
Construction	10,896	(910)	(6,445)	(4,019)	(21,308)
Development	1,499	(507)	(63)	7,852	15,169
Hotels	(7,005)	3,477	57,653	12,930	24,756
Investments	2,102	2,130	21,218	418	1,229
	7,492	4,190	72,363	17,181	19,846
TOTAL ASSETS					
Construction	43,384	36,702	43,489	44,526	40,628
Development	37,316	45,795	67,862	105,779	157,292
Hotels	194,831	182,066	94,268	96,116	93,835
Investments	38,186	37,412	34,735	24,357	25,661
	313,717	301,975	240,354	270,778	317,416







Construction Developments Hotels Investments

* *Gaming centre revenue of $11.8 million was reclassified to "Concessionary Income" to be consistent with FY07/08.*

A CLEAR **FOCUS**

We're focused on the key drivers of our business performance. Our focus is not merely to change procedures or re-engineer a few processes. It's about leveraging the talent and passion of our people to continuously improve how we do business across all areas of the Company.

OPERATING & FINANCIAL REVIEW

Overall

The Group's four business segments are construction, property development, hotels and investments. In recent years, the Company shifted the emphasis of its business mix from hotels to property development. In addition, since last year, the Group started to build up its land bank in Malaysia which has been lagging behind the other regions.

Net profit attributable to shareholders increased by 4% from $13.1 million in FY06/07 to $13.7 million in FY07/08. The increase was due to higher development profit from associated companies and hotel operations offset by higher construction loss and higher taxation charge and minority interests.

Group revenue was $113.3 million for FY07/08 compared to $117.3 million for FY06/07. In FY06/07 the results of gaming centre operations in *Duxton Hotel Saigon* were accounted for under individual revenue, cost and expense items. However in FY07/08, the Group accounted for the results of the gaming centre as "Concessionary income" for better presentation purposes.

Group revenue for FY07/08 increased by $7.8 million (7%) compared to FY06/07 after accounting for $11.8 million gaming revenue that was included in the revenue for FY06/07. The increase in revenue was mainly due to an increase in hotel revenue of $15.2 million partially offset by a decrease in construction revenue of $7.1 million. Development revenue and investment revenue for the Company were not significant.

Gross profit was $11.7 million for FY07/08 compared to $22.4 million for FY06/07 after accounting for the gross profit of gaming centre operations that was included in FY06/07. The decrease in gross profit of $10.7 million was solely due to the construction segment incurring a gross loss of $13 million in FY07/08 as a result of substantial increases in construction costs. The gross margin for the hotel and F&B business remained relatively constant.

Concessionary income of $5.3 million for FY07/08 was derived from the gaming centre operations at *Duxton Hotel Saigon* which opened for business in November 2006.

The concessionary income for the three months in FY06/07 would have been $2.4 million if we had reclassified the individual revenue, cost and expense items.

Other operating expenses decreased by 61% from $4.9 million in FY06/07 to $2.0 million in FY07/08 after accounting for the expenses of gaming centre that was included in FY06/07. One of the main reasons for the decrease in other operating expenses was the exchange gain of $0.8 million in FY07/08 compared to an exchange loss of $1.6 million in FY06/07. In addition provision for impairment loss of investment was $0.9 million lower in FY07/08 compared to FY06/07. Increase in finance costs was due to increased working capital requirements for the construction and development projects.

Increase in share of results from associated companies was due to increased contributions from existing and new development projects launched during the year. The Group's development project launches have been well received and are 99% sold.

OPERATING & FINANCIAL REVIEW

Southbank

The project involves the redevelopment of the former Eng Cheong Tower along North Bridge Road. The new mixed development comprises one 40-storey block of 197 units of apartments and penthouses with roof terrace, 60 units of small-office-home-office (SOHO), 16 units of retail units, multi-storey carpark podium, club house, swimming pool and ancillary facilities. The project is based on Design-and-Build concept. The project commenced in Jun 2006 and is expected to complete in Mar 2009.

The Chuan

The Chuan, 1 block of 24 storeys condominium development of 106 units with basement car parks, swimming pool, jacuzzi, club house, children's play ground and other ancillary facilities at Lorong Chuan. The project obtained Temporary Occupancy Permit in December 2007.

Construction

Construction revenue decreased by 11% from $63.9 million in FY06/07 to $56.8 million in FY07/08. This decrease was due to the completion of major projects ie Novena Square Extension, *The Chuan, Twin Regency* and *Domain 21* and the lower percentage of completion of on-going projects ie *one-north Residence, Southbank* and *Regency Suites* in FY07/08. The increase in net loss before tax & minority interests for construction segment increased from $4.0 million in FY06/07 to $21.3 million in FY07/08. This increase was due to the increase in gross loss to $13.0 million in FY07/08 which was a result of substantial increases in construction costs, particularly costs of sand and granite caused by restrictions imposed by exporting countries in February 2007 and inflationary pressures in commodities pricing towards the last quarter of FY07/08.

These construction projects were undertaken by the Company for associated companies of the Group at prices determined at the time of entering into the joint venture agreement with the partners to tender for the sites. Management is working with the partners in recovering these cost increases.

The Group has secured two major projects in the first quarter of FY08/09. These two projects with contract value totaling $492 million will contribute significantly to the Group's profitability for the next two years.

Hotel & F&B business

Revenue for hotel & F&B businesses increased from $52.7 million in FY06/07 to $56.1 million in FY07/08. Hotel revenue increased by 37% to $56.1 million in FY07/08 from $40.9 million in FY06/07 after accounting for $11.8 million of gaming centre revenue that was included in FY06/07. The increase in hotel revenue of $15.2 million was attributable to higher revenue from *Duxton Hotel Saigon* and *Duxton Hotel Perth* and our F&B business arm consisting of Starworth group of companies. The higher hotel revenue was due to increased occupancy and room rates in both hotels in FY07/08 compared to FY06/07. In addition there was a net foreign exchange gain of $1 million on the increased hotel revenue. The results of Starworth group of companies which operate the restaurants at CHIJMES and VivoCity were consolidated with effect from 1 September 2006. The net profit before tax and minority interests for hotel segment increased 92% to $24.8 million in FY07/08 from $12.9 million in FY06/07.

Duxton Hotel Perth

Duxton Hotel Saigon

Carnivore at CHIJMES

Carnivore at VivoCity

OPERATING & FINANCIAL REVIEW

The development projects on hand are:-

1. *Regency Suites* at Kim Tian Road launched in October 2005 and fully sold;
2. *Southbank* at North Bridge Road launched in June 2006 and fully sold;
3. *one-north Residences* at one-north Gateway launched in March 2007 and fully sold (save for 2 shop units);
4. *Duchess Residences* at Duchess Avenue launched in June 2007 and fully sold (save for 1 unit);
5. An industrial land project in Seri Alam, South Johor to be launched by first half of FY08/09;
6. *Panorama*, a luxury condominium, at Persiaran Hampshire, near to Kuala Lumpur City Centre, to be launched by first half of FY08/09;
7. *Minton Rise*, a large mid-market condominium, at Hougang Street 11, to be launched next year;
8. A high end condominium/ service apartments at Jalan Conlay, near to major shopping belt in Kuala Lumpur City Centre, to be launched later this year;
9. A township consisting of shops and houses at Seri Alam Central, South Johor to be launched later this year.
10. 205 bungalow lots project at IDR, South Johor, to be launched next year.

Development

The Company's major on-going development projects are undertaken by associated companies in which it holds minority interests. As such, the Company recognizes its share of profit/loss of these associated companies as "Share of results of associated companies" but not their revenue. Contributions from associated companies increased 92% from $7.9 million in FY06/07 to $15.2 million in FY07/08 as more projects were launched and sold. The better-than expected profits in associated companies will continue to be recognized progressively based on stages of construction completion and are expected to contribute significantly to the Group's profit in the next few years.

Investments

The Group's current investments are investment properties mainly in Singapore and Malaysia as well as some quoted equities. The contributions from this segment were not significant.

Duchess Residences

Duchess Residences is a five-storey residential development comprising 120 luxurious high-end condominium apartments located within the prime district of Bukit Timah, Singapore.

Panorama

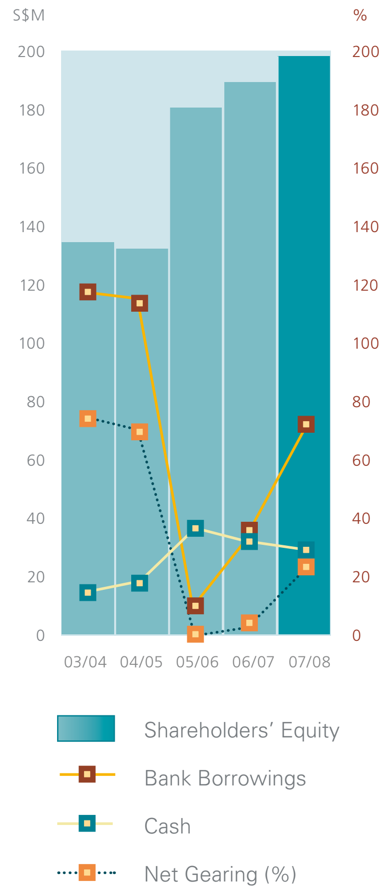
Panorama is a high-end luxurious residential development comprising 223 condominium apartments located near to Kuala Lumpur City Centre.

Development project	Location	LKH's share (%)	Type	No. of units	Status
Regency Suites	Kim Tian Road	20	Condominium/ SOHO	104	Launched Oct 2005 100% sold
Southbank	North Bridge Road	30	Condominium/ SOHO/Shops	273	Launched Jun 2006 100% sold
one-north Residences	one-north Gateway	20	Condominium/ SOHO/Shops	425	Launched Mar 2007 2 shop units unsold
Duchess Residences	Duchess Avenue	30	Condominium	120	Launched Jun 2007 one unit unsold
Masai Industrial Park	Seri Alam, Johor	49	Industrial	25	To launch first half of 2008
Panorama	Persiaran Hampshire, Kuala Lumpur	25	Serviced Apartments	223	To launch first half of 2008
Unnamed (existing Minton Rise)	Hougang Street 11	40	Condominium	>1000	To launch in 2009
Unnamed	Jalan Conlay, Kuala Lumpur	20	Condominium		To launch in 2008

Land bank	Location	LKH's share (%)	Area (sqf)	Use
Unnamed	Seri Alam, Johor	49	3,298,458	Bungalows
Tiram Park	Tiram, Johor	49	6,622,184	Houses/shops
Unnamed	Seri Alam, Johor	49	759,770	Houses/shops
Unnamed	Kuala Lumpur	100	14,041	Office

REFLECTING
INTEGRITY

Trust, stability and integrity. These values guide us in everything we do - We continue to build trust among those we work with by being fully committed to our promises and taking our responsibilities seriously. At LKHS, we take pride in upholding the highest standards of ethical behaviour by saying what we do and doing what we say.



Financial Position

The Group remains in a strong financial position. Group shareholders' funds increased from $190.5 million as at 31 January 2007 to $199.0 million as at 31 January 2008. Group bank borrowings increased from $35.0 million as at 31 January 2007 to $75.2 million as at 31 January 2008 in line with increasing working capital requirements for the construction and development businesses. Net gearing was 24.2% as at 31 January 2008 after taking into account a cash position of $27.2 million. Subsequent to 31 January 2008, bank borrowings of $63.1 million were rolled over.

The net book value of investment properties, fixed assets and development land as of 31 January 2007 had been restated with the adoption of FRS 40, Investment Property, in FY07/08. The net book value of investment properties decreased from $8.7 million as at 31 January 2007 to $8.3 million as at 31 January 2008 as a result of the depreciation charge of these investment properties. There was no other significant impact on the profit and loss of the Group due to the reclassification.

Balances of associated companies increased from $105.2 million as at 31 January 2007 to $159.8 million as at 31 January 2008. The increase was mainly attributed to the $42.7 million loan extended to Peak Garden Pte Ltd on 23 January 2008 for *Minton Rise* project at Hougang Street 11, $10.6 million bridging loan to Bina Meganmas Sdn Bhd for bungalow lots project at Iskandar Development Region, South Johor, $8.7 million cost of investment in Suasana Simfoni Sdn Bhd for condomium project at Jalan Conlay, Kuala Lumpur, $5.3 million cost of investment in Binakawa Sdn Bhd for township development in Seri Alam, Johor and the repayment of $12.3 million by Valley Development Pte Ltd for *Domain 21* project and other projects.

SIGNIFICANT EVENTS

Meritus Mandarin Hotel

Hard Rock Hotel

Scholarship programme for needy Vietnamese students

CONSTRUCTION

Feb 2007 :
Obtained Temporary Occupancy Permit for *Novena Square* Extention

Obtained Temporary Occupancy Permit for *Twin Regency*

Dec 2007 :
Obtained Temporary Occupancy Permit for *The Chuan*

Mar 2008 :
Awarded a $146 million construction contract on the additions and alterations to retail and hotel podium of existing *Meritus Mandarin Hotel* at Orchard Road. Project is expected to complete by June 2009.

Apr 2008 :
Awarded a $346 million construction contract by Resorts World at Sentosa, member of the Genting International Group to build *Hard Rock Hotel*, ballroom and part of festive walk. Project is expected to be completed by December 2009.

DEVELOPMENT

Feb 2007 :
Binakawa Sdn Bhd purchased a residential development land of 759,770 sqf (17 acres) located in central Seri Alam, Johor.

Established a 40% owned property development joint venture, Peak Garden Pte Ltd, which made an en bloc purchase of Minton Rise Condominium at Hougang Street 11 for re-development.

Mar 2007 :
Successful launch of *one-north Residence* by associated company, Vista Development Pte Ltd.

Bina Meganmas Sdn Bhd purchased 3,298,458 sqf (76 acres) of bungalow land in Seri Alam, part of Iskandar Development Region, Johor.

Jun 2007 :
Successful launch of *Duchess Residences* by associated company, Duchess Walk Pte Ltd.

Jul 2007 :
Acquired 20% equity interest in Suasana Simfoni Sdn Bhd ("SS"), a Malaysian incorporated property development company based in Kuala Lumpur, Malaysia.

SS purchased approximately 172,148 sqf (15,992 sqm) of freehold land at Jalan Conlay, Kuala Lumpur for condominium development.

INVESTMENT

Jul 2007 :
Successfully launched Renounceable Non-Underwritten Rights Issue of 246,272,000 shares at $0.369 for each Rights Shares on the basis of two Rights share for every one existing ordinary share.

HOTELS

Oct 2007 :
Duxton Hotel Saigon successfully launched the scholarship programme for needy Vietnamese students for university studies in Vietnam.

Dec 2007 :
Duxton Hotel Perth was awarded the "Marketed Hotel Award" and "Training Initiative Award" by the Australian Hotels Association.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' LOW KENG HUAT
(NON-EXECUTIVE CHAIRMAN)

LOW KENG BOON
(MANAGING DIRECTOR)

LOW KENG HOO
(DEPUTY MANAGING DIRECTOR)

LOW POH KUAN
(EXECUTIVE DIRECTOR)

DATO' MARCO LOW PENG KIAT
(NON-INDEPENDENT,
NON-EXECUTIVE DIRECTOR)

LEE HAN YANG
(LEAD INDEPENDENT,
NON-EXECUTIVE DIRECTOR)

LUCAS LIEW KIM VOON
(INDEPENDENT,
NON-EXECUTIVE DIRECTOR)

WEY KIM LONG
(INDEPENDENT,
NON-EXECUTIVE DIRECTOR)

AUDIT COMMITTEE

LUCAS LIEW KIM VOON
(CHAIRMAN)

LEE HAN YANG

WEY KIM LONG

NOMINATING COMMITTEE

LUCAS LIEW KIM VOON
(CHAIRMAN)

LEE HAN YANG

LOW KENG BOON

REMUNERATION COMMITTEE

LEE HAN YANG
(CHAIRMAN)

LUCAS LIEW KIM VOON

WEY KIM LONG

EXECUTIVES' SHARE OPTION COMMITTEE

LOW KENG BOON

LOW KENG HOO

COMPANY SECRETARY

CHIN YEOK YUEN, FCPA

SOLICITORS

TSMP LAW CORPORATION
6 Battery Road
#33-01
Singapore 049909

AUDITORS

FOO KON TAN GRANT THORNTON

PARTNER-IN-CHARGE: MR YEO BOON CHYE
(YEAR OF APPOINTMENT: FYE 31 JANUARY 2005)

BANKERS

OVERSEA-CHINESE BANKING CORPORATION LIMITED

UNITED OVERSEAS BANK LIMITED

MALAYAN BANKING BERHAD

THE BANK OF EAST ASIA, LIMITED

DBS BANK LIMITED

SHARE REGISTRARS & SHARE TRANSFER OFFICE

KCK CORPSERVE PTE. LTD.
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

REGISTERED OFFICE

80 Marine Parade Road
#18-05/09 Parkway Parade
Singapore 449269

Tel: +65 6344 2333
Fax: +65 6345 7841

LISTING

The Company's ordinary shares are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited.

FINANCIAL REPORTS

A copy of the Company's Annual Report and announcement of half-year and full-year financial results is available on request without charge.

WORLD WIDE WEB HOME PAGE

Visit us at www.lkhs.com.sg

BOARD OF DIRECTORS

TAN SRI DATO' LOW KENG HUAT, 74
NON-EXECUTIVE CHAIRMAN

Tan Sri Dato' Low Keng Huat is a co-founder of the Company and its Chairman since its incorporation on 14 April 1969. He was last re-elected on 29 May 2007. He is also the Executive Deputy Chairman of General Corporation Berhad, the controlling shareholder of the Company, which is listed on the Kuala Lumpur Stock Exchange. A builder by profession, Tan Sri Dato' Low is a former President of the Master Builders Association, Malaysia and is now its Honorary President. He has wide experience in business, property construction and development in a career spanning more than 50 years.

LOW KENG BOON @ LAU BOON SEN, 66
MANAGING DIRECTOR

Mr Low Keng Boon is a co-founder and the Managing Director of the Company since its incorporation on 14 April 1969. He is concurrently the Group Managing Director of General Corporation Berhad. His wide experience in building and construction is evidenced by the successful handling of prestigious projects like the OCBC Centre, UOB Plaza, Singapore Press Holdings headquarters, Novena Square and SIA Engineering Hangar. He was a member of the Singapore Construction Industry Development Board between March 1984 and March 1988. Mr Low was also instrumental in the Company's successful diversification into the hotel business.

LOW KENG HOO @ LAU KEENG FOO, 68
DEPUTY MANAGING DIRECTOR

Mr Low Keng Hoo is a co-founder and the Deputy Managing Director of the Company. He was appointed to the Board on 14 April 1969 and last re-elected on 30 May 2006. He is responsible for overseeing all site work, execution, site administration, control and liaison between the Company and its sub-contractors. He has contributed to the successful completion of many major projects undertaken by the Company, including OCBC Centre, MAS Building and Mandarin Gardens condominium.

LOW POH KUAN, 38
EXECUTIVE DIRECTOR

Mr Low Poh Kuan joined the Company in March 1998 as its Purchasing Manager for construction projects. He was appointed to the Board on 5 April 2004 and was last re-elected on 26 May 2005. In addition to his purchasing function, Mr Low is involved in the Company's property development projects and the F&B businesses under our subsidiary, Starworth, group of companies. Mr Low co-managed the overall operations of the Chijmes entertainment complex before it was sold in 2006. He is also the QEHS (Quality, Environmental, Occupational Health and Safety) System Manager under the Company's ISO system. Prior to joining the Company, he had extensive experience in sales and marketing in the contract furnishing industry. Mr Low has a Diploma in Mechanical Engineering from Ngee Ann Polytechnic and a Bachelor of Science in Marketing and Economics from the University of Indiana, Bloomington, USA.

DATO' MARCO LOW PENG KIAT, 35
NON-EXECUTIVE DIRECTOR

Dato' Marco Low Peng Kiat was appointed as a Non-Executive Director of the Company on 7 November 2006. He is also the Executive Director of General Corporation Berhad, controlling shareholder of the Company, which is listed on the Kuala Lumpur Stock Exchange. He holds a Bachelor Science in Management & Systems from City University, England. He spent about two years in the corporate finance unit of one of the big four international accounting firms before joining Fung Keong Rubber Manufactory (Malaya) Sdn Bhd as Executive Director on 29 January 1997.

LEE HAN YANG, 76
INDEPENDENT DIRECTOR

Mr Lee Han Yang was appointed as an independent director of the Company on 28 January 1992. He was last re-elected on 29 May 2007. He is also serving on the Company's Audit, Nominating and Remuneration Committees. Mr Lee is a Barrister-at-Law of Lincoln's Inn, London. He is an Advocate and Solicitor of the Supreme Court of Singapore and is a Consultant at Messrs Belinda Ang & Tang. He is also a director of several public and private companies in Singapore, including Wing Tai Holdings Ltd and Tan Chong International Ltd. Mr Lee is an active member of the Law Society of Singapore and has served on several committees of the Law Society. At present, he also serves on the boards of National Council of Social Services. In August 2006, he was awarded the Public Service Star (BBM) by the President of Singapore.

LUCAS LIEW KIM VOON, 71
INDEPENDENT DIRECTOR

Mr Lucas Liew was appointed as an independent director of the Company on 28 January 1992. He was last re-elected on 29 May 2007. He is an accountant by profession and was formerly the finance director of Singapore Airlines Limited until his retirement in 1992. He has extensive expertise and experience in finance and accounting. Mr Liew, a Certified Public Accountant, obtained his Bachelor of Commerce (Accountancy) degree from the University of New South Wales, Australia.

WEY KIM LONG, 66
INDEPENDENT DIRECTOR

Mr Wey Kim Long was appointed as a non-executive director of the Company on 5 April 2004 and was re-designated an Independent Director on 12 September 2006. He was last re-elected on 29 May 2007. Mr Wey had worked with UOL for 30 years until his retirement in January 2004 as Deputy President (Property). During his tenure at UOL, Mr Wey was involved in all aspects of property development and marketing, property investment and management of all properties in the UOL Group. He continues to serve as director of its Suzhou Wugong Hotel Company Limited and Hua Ye Xiamen Hotel Limited. Mr Wey holds a Bachelor of Science (Estate Management) degree from the then University of Singapore. He is also a Fellow of the Singapore Institute of Surveyors & Valuers and the Royal Institution of Chartered Surveyors.

KEY MANAGEMENT

LOW KENG BOON
MANAGING DIRECTOR

Information concerning Mr Low Keng Boon is found under "Board of Directors" on page 16 of the Annual Report.

LOW KENG HOO
DEPUTY MANAGING DIRECTOR

Information concerning Mr Low Keng Hoo is found under "Board of Directors" on page 16 of the Annual Report.

LOW POH KUAN
EXECUTIVE DIRECTOR

Information concerning Mr Low Poh Kuan is found under "Board of Directors" on page 16 of the Annual Report.

LEE YOON MOI, 58
GENERAL MANAGER

Mr Lee Yoon Moi joined the Compnay in 1990. He is responsible for all construction and development activities undertaken by Group. He also acts as the Management Representative overseeing the development, implementation and maintenance of the Company's Quality, Environment, Health and Safety Management System. Mr Lee joined Housing and Development Board in 1974 as a structural engineer. In 1980, he was enlisted in the setting up of Construction Technology Pte Ltd (Contech), a wholly government owned construction company, to spearhead modernization and mechanization in the construction industry. Mr Lee left Contech in 1990 as General Manager. Mr Lee has a Bachelor of Engineering (First Class Honours, Civil) degree from the University of Singapore and a Masters of Engineering degree from McGill University, Montreal, Canada. He is also a registered Engineer, senior member of the Institution of Engineers Singapore and member of Institution of Civil Engineers.

CHIN YEOK YUEN, 48
CHIEF FINANCIAL OFFICER

Ms Chin joined the Company in Oct 2007 as its Chief Financial Officer and is responsible for the financial, accounting and corporate matters of the Group. Immediately prior to joining the Company, Ms Chin was the Group Financial Controller of MediaRing Ltd. From 1997 to 2002, she was the Finance Director of Kemin Asia Pte Ltd. Before Kemin, she spent her earlier years working with one of the big four accounting firms and MNCs like Tandem Computers and Glaxo Pharmaceuticals. Ms Chin is a fellow member of the Institute of Certified Public Accountants of Singapore (ICPAS). She graduated with a Bachelor of Accountancy from the National University of Singapore.

LOW POH KOK, 35
MANAGER, PROPERTY DEVELOPMENT

Mr Low Poh Kok joined the Company in July 2004. He is currently Manager, Property Development and is involved in all overseas property development. Prior to that, he had worked in the United States of America for 8 years as a project manager for an IT company. He brings to the Company his overseas experiences and project management skills. Mr Low has a Diploma in Business Studies from Ngee Ann Polytechnic and a Bachelor of Science in Computer Information System from Indiana University at Bloomington, USA.

WONG CHONG SENG, PHILLIP, 56
ADMINISTRATION AND IT MANAGER

Mr Phillip Wong joined the Company in 1980. He is currently its Administration and IT Manager, overseeing the administrative and IT matters of the Group. Mr Wong joined the Company as a land surveyor and subsequently a project coordinator in construction projects. He became the Administrative and IT Manager in 1992. Mr Wong has a Diploma for Computer Studies from TMC Computer School. He gained valuable experience in making IT an important tool in the Company's construction operations. He is concurrently the Fire Safety Manager for the Company's warehouse in Singapore.

ADAM RILEY, 44
GENERAL MANAGER – DUXTON HOTEL PERTH

Mr Riley first worked as General Manager for Duxton Hotel Saigon from 2001 to 2004 before rejoining the hotel in March 2007. He was then transferred to Duxton Hotel Perth in Janauary 2008 as General Manager. He has 20 years of hotel experience, with the first 14 spent on developing his management skills at the Intercontinental Hotels Group. He recently managed the multiple award-winning The George Hotel which is located in Christchurch, New Zealand and a member of Small Luxury Hotels of the World. Mr Riley is a Certified Hotel Administrator under the American Hotel and Lodging Association and is currently completing his Masters of Business Adminstration.

Messrs Tan Sri Dato' Low Keng Huat, Low Keng Boon and Low Keng Hoo are brothers. Messrs Low Poh Kuan and Low Poh Kok are the sons of Mr Low Keng Hoo. Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat. Save as disclosed, none of the directors and key executives are related to one another.

CORPORATE GOVERANCE

The Company is committed to complying with effective corporate governance to ensure transparency and protection of shareholders' value. This statement outlines the main corporate governance practices with specific reference to the Code of Corporate Governance 2005 (the "Code"), effective for annual general meetings held on or after 1 January 2007, that are adopted by the Company. The Company has generally complied with the principles of the Code.

BOARD MATTERS

PRINCIPLE 1 BOARD'S CONDUCT OF ITS AFFAIRS

The primary role of the Board, apart from its statutory responsibilities, comprises:

- overseeing and monitoring the management and affairs of the Group;
- approving the Group's corporate policies;
- reviewing the financial performance including approval of the annual and interim financial reports;
- approving the nomination of Directors and appointments to the various Board Committees;
- reviewing the integrity and adequacy of internal control, risk management, financial reporting and compliance; and
- assuming responsibility for corporate governance.

The Board conducts regular scheduled meetings and as warranted by circumstances. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. The Company's Articles of Association provide for the Board to convene meetings via teleconferencing and/or similar means.

All Directors are updated on a regular basis via Board meetings or by way of circulars on matters material to the Company. New Directors will be briefed on the Group's business and the Company's governance policies, disclosure of interest in securities, disclosure of any conflict in a transaction involving the Company, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information.

To assist in the execution of its responsibilities, the Board has established the following specialized Board Committees:

- The Nominating Committee;
- The Remuneration Committee;
- The Share Option Scheme Committee; and
- The Audit Committee.

Each of the above Committees has its respective written mandates and operating procedures, which are reviewed on a regular basis. To strengthen the oversight of the Management, the Board has on 12 September 2006 adopted a set of internal guidelines on the type of material transactions that requires the Board's approval.

The Directors' attendance at the Board meetings (including committee meetings) held and the number of meetings attended by each member at the respective meetings during the financial year under review are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	**3**	**3**	**3**	**3**
Directors	**No. of Meetings Attended**			
Tan Sri Dato' Low Keng Huat	3	–	–	–
Low Keng Boon	3	–	3	–
Low Keng Hoo	3	–	–	–
Ng Beng Tiong**	3	–	–	–
Low Poh Kuan	3	–	–	–
Dato' Marco Low Peng Kiat*	3	–	–	–
Lee Han Yang	2	2	2	2
Lucas Liew	3	3	3	3
Wey Kim Long	3	3	–	3

* appointed on 7 November 2006
** resigned on 13 August 2007

PRINCIPLE 2 BOARD COMPOSITION AND BALANCE

The Board comprises eight Directors of whom five are non-executive and three are executive. Of the five non-executive Directors, three are independent. The number of independent Directors thus represents more than one third of the Board and majority of the Board comprises non-executive Directors.

The criteria of independence are 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 its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment.

The Board members bring with them invaluable experience and collective core competencies such as accounting, finance, law, business and management experiences as well as industry expertise. The profiles of the Directors are set out on pages 16 and 17 of the Annual Report. The Board has reviewed its composition and is satisfied that such composition is appropriate. The Board will constantly review its size and composition to determine its appropriateness and effectiveness.

Where appropriate, developments in legislation, government policies and regulations affecting the Group's businesses and operations are provided to all Directors on a timely basis. The Directors have access to the advice of the Company Secretary and Management. They may also seek independent professional advice concerning the Company's affairs when necessary.

PRINCIPLE 3 CHAIRMAN AND MANAGING DIRECTOR

The clear division of responsibilities between the non-executive Chairman and the Managing Director ensures proper balance of power and authority at the top Management of the Group. The posts of the non-executive Chairman and Managing Director are kept separate and are held by Tan Sri Dato' Low Keng Huat and Mr Low Keng Boon, respectively.

The Chairman ensures that the business of the Board and Board Committees are well managed, and that harmonious relationships are maintained with shareholders.

The Managing Director makes key decisions on the management and operations of the Group and is responsible for the conduct of the business and affairs of the Group.

Tan Sri Dato' Low Keng Huat is the brother of Mr Low Keng Boon. Under the Code, which recommends that where the Chairman and CEO are related by close family ties, the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. Such appointment would further strengthen the independence of the Board and provide an additional channel of communication to shareholders.

On 12 September 2006, Mr Lee Han Yang was appointed by the Board as the Lead Independent Director. The key responsibilities of the Lead Independent Director are:

- providing an additional and independent channel of contact to shareholders;
- leading the non-executive/independent directors in providing and facilitating non-executive perspective and contributing a balance of viewpoints on the Board;
- co-ordinating the activities and meetings of non-executive/independent directors;
- advising the Chairman as to board and committee meetings; and
- promoting high standards of corporate governance.

CORPORATE GOVERANCE

PRINCIPLE 4 BOARD MEMBERSHIP

The Nominating Committee comprises three Directors, the majority of whom (including the Chairman) are independent Directors:

Mr Lucas Liew	Independent Director (Chairman of the Committee)
Mr Lee Han Yang	Independent Director
Mr Low Keng Boon	Managing Director

The Nominating Committee's principal functions are to:

- determine the criteria for identifying candidates for directorship;
- review nominations and make recommendations to the Board on all Board appointments;
- make recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's Annual General Meeting;
- determine annually whether or not a Director is independent;
- determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;
- assess the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board; and
- ensure disclosure of key information of Directors in the Annual Reports as required by the Code.

All Directors are required to submit themselves for re-nomination and re-election at least once in every three years. Article 88 of the Company requires one third of the Board to retire by rotation at every Annual General Meeting. A newly appointed Director, according to Article 87 of the Company, will submit himself for retirement and re-election at the Annual General Meeting following his appointment.

The Nominating Committee has on 12 September 2006 adopted a process for the selection and appointment of new directors to the Board including using search companies, contacts and recommendations.

PRINCIPLE 5 BOARD PERFORMANCE

The Nominating Committee's evaluation of each Director and the Board's performance as a whole will be conducted on an annual basis.

The general assessment parameters of a Director are experience in being a company director, competence and knowledge. The specific assessment parameters of a Director include level and quality of involvement during the course of the year, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The Nominating Committee also assesses the effectiveness of the Board as a whole in both quantitative and qualitative terms. Quantitative performance measurement is principally based on shareholder value creation such as share price performance and earnings per share. Qualitative performance indicators include compliance with the Code, transparency in terms of disclosure and feedback from authorities and investors.

PRINCIPLE 6 ACCESS TO INFORMATION

The Board is furnished with Board papers prior to any Board meeting. These Board papers include management reports, financial reports and other relevant information meant to provide complete, adequate, timely and reliable information so as to ensure Directors' informed participation at such meetings and hence the effective discharge of their duties.

When decisions to be taken by the Board require specialized knowledge or expert opinions, the Board is able to seek independent professional advice, if necessary. Such cost for professional advice will be borne by the Company.

The Directors may communicate directly with the Management, the Company Secretary, the internal auditor and the external auditors on all matters whenever they deem necessary.

The Company Secretary attends all Board meetings and is responsible to ensure that board procedures, applicable rules and regulations are followed.

REMUNERATION MATTERS

PRINCIPLE 7 PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Code recommends that the Remuneration Committee should comprise entirely non-executive directors, the majority of whom, including the chairman, should be independent.

The Remuneration Committee comprises three Directors, all of whom (including the Chairman) are non-executive and independent Directors:

Mr Lee Han Yang	Lead Independent Director (Chairman of the Committee)
Mr Lucas Liew	Independent Director
Mr Wey Kim Long	Independent Director

The Remuneration Committee's principal responsibilities are to:

- recommend to the Board base pay levels, benefits and incentive opportunities;
- approve the structure of the compensation programme for Directors and senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate senior Management of the required quality to run the Company successfully;
- review Directors' and senior Management's compensation annually and determine appropriate adjustments; and
- review and recommend the Managing Director's pay adjustments.

When necessary, the Remuneration Committee is able to seek independent professional advice on remuneration matters. Such cost will be borne by the Company.

The overriding principle is that no Director should be involved in deciding his own remuneration.

The Share Option Scheme Committee comprises two Directors:

Mr Low Keng Boon	Managing Director
Mr Low Keng Hoo	Deputy Managing Director

The Share Option Scheme Committee administers the Low Keng Huat (Singapore) Limited Executives' Share Option Scheme in accordance with the rules of the scheme, and determines and approves the list of grantees of the share options, the date of grant and the price thereof.

CORPORATE GOVERANCE

PRINCIPLE 8 LEVEL AND MIX OF REMUNERATION

The Company's remuneration policy is to provide compensation packages at market rates which will reward successful performance and attract, retain and motivate Directors and managers.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. They are paid only after approval by shareholders at the Annual General Meeting.

The executive Directors' remuneration comprises salary, bonus, allowances and benefits which are governed by service agreements entered into with the Company. The bonus, which makes up a significant portion of total remuneration, is linked to the performance of the Group.

The Low Keng Huat (Singapore) Limited Executives' Share Option Scheme has been established as a long-term incentive scheme to align the interests of shareholders with those of the Directors and employees.

PRINCIPLE 9 DISCLOSURE ON REMUNERATION

The breakdown of the level and mix of remuneration of each Director and the top five key executives for the financial year ended 31 January 2008 are set out below. A significant portion of key executives' remuneration is linked to corporate and individual performance.

Remuneration Band	Directors Fee (%)	Salary (%)	Bonus (%)	Share Options Exercised (%)	Allowances/ Benefits/CPF (%)	Total (%)
Directors						
Above $2,000,000						
Low Keng Boon @ Lau Boon Sen	–	31	66	–	3	100
$1,000,000 to $1,249,999						
Low Keng Hoo @ Lau Keeng Foo	–	32	65	–	3	100
$250,000 to $499,999						
Low Poh Kuan	–	64	28	–	8	100
Ng Beng Tiong[1]	–	53	45	–	2	100
Below $250,000						
Tan Sri Dato' Low Keng Huat	100	–	–	–	–	100
Lee Han Yang	100	–	–	–	–	100
Lucas Liew	100	–	–	–	–	100
Wey Lim Long	100	–	–	–	–	100
Dato' Marco Low Peng Kiat	100	–	–	–	–	100
Key Executives						
S$250,000 to S$499,999						
Lee Yoon Moi	–	65	29	–	6	100
David Chaplin[2]	–	37	58	_	5	100
Below S$250,000						
Chin Yeok Yuen[3]	–	66	27	–	7	100
Adam Riley[4]	–	74	26	–	–	100
Low Poh Kok	–	77	17	–	6	100
Wong Chong Seng, Phillip	–	78	16	–	6	100

(1) resigned on 13th August 2007
(2) resigned on 4th January 2008
(3) employed on Ist October 2007
(4) Transferred to *Duxton Hotel Perth* in Feb 2008

The directors' fees are subject to shareholders' approval at the Annual General Meeting.

Messrs Low Poh Kuan and Low Poh Kok are the sons of Mr Low Keng Hoo. Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat. Save as disclosed, no employee of the Group is an immediate family member of a Director and whose remuneration is in excess of $150,000 in the year under review.

The Board has not included an annual remuneration report in this Annual Report as the Board is of the view that the matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Annual Report and in the financial statements therein.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10 ACCOUNTABILITY

The Board is accountable to the shareholders while the Management is accountable to the Board. The Board fully recognizes that it has a responsibility to provide timely, reliable and fair disclosure of material information, and to avoid selective disclosure of the same.

The Company will release any price-sensitive information to the public before meeting any group of investors.

PRINCIPLE 11 THE AUDIT COMMITTEE

The Audit Committee comprises three Directors, all of whom (including the Chairman) are non-executive and independent:

Mr Lucas Liew	Lead Independent Director (Chairman of the Committee)
Mr Lee Han Yang	Independent Director
Mr Wey Kim Long	Independent Director

These Audit Committee members have had many years of experience in senior management positions in the financial, accounting, legal and property sectors. They have sufficient financial management expertise and experience to discharge the Audit Committee's functions.

The Audit Committee assists the Board in fulfilling its responsibilities in financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The Audit Committee meets periodically to perform the following functions:

- review with the external auditor, the audit plan, and their evaluation of the accounting, operational and compliance controls, risk management and audit report;
- review the annual and interim financial statements including the announcements to SGX-ST prior to submission to the Board;
- review the assistance given by Management and the staff of the Company to the external auditor;
- review the independence and objectivity of the external auditor;
- recommend the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;
- review adequacy and effectiveness of internal audit functions and risk management processes; and
- review interested person transactions between the Group and interested persons.

The Audit Committee has full access to and co-operation of the Management, internal auditor and external auditor. It also has the discretion to invite any Director and executive officer to attend its meetings. The Audit Committee has the discretion to meet the external auditor without the presence of the Management.

CORPORATE GOVERANCE

The Company has on 12 September 2006 set up a Whistle Blowing Policy. The Board believes that effective whistle-blowing arrangements will act as a deterrent to malpractice and wrongdoing, encourage openness, promote transparency, underpin the risk management systems of the Group and enhance its reputation. The policy had been circulated to all employees for implementation.

For the year under review, the Audit Committee has considered the matters set out in the Directors' Report, including the scope of non-audit services provided by the external auditor and are satisfied that the nature and extent of such services will not prejudice the independence of the external auditor.

The Company records and reports interested person transactions which are subject to review by the Audit Committee to ensure that they were conducted on normal commercial terms. Details of interested person transactions during the year under review pursuant to the SGX-ST Listing Manual are as follows:

Name of Interested Person	**Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions coded under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested persons transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
Target Insurance Brokers Pte Ltd*	Insurance Premium	S$ 64,634.50	N/A
General Corporation Bhd ("GCB")	Promatik Emas Sdn Bhd:		
	Loan	S$ 495,132.88	N/A
	Total	S$ 495,123.88	
General Corporation Bhd ("GCB")	Bina Meganmas Sdn Bhd:		
	Ordinary shares	S$ 646,778.44	
	Loan**	S$10,076,159.36	N/A
	Total	S$10,722,937.80	
Low Keng Huat Bhd ("LKHB:, subsidiary of GCB)	Management services to Vista Mutiara Sdn Bhd	S$ 21,120.00	N/A
Low Keng Huat Bhd ("LKHB:, subsidiary of GCB)	Binakawa Sdn Bhd		
	Loan	S$2,352,405.73	N/A
	Total	S$2,352,405.73	

Pursuant to Chapter 9 of the SBX-ST Listing Manual, the above interested person transactions are either below the relevant materiality threshold or exempted from shareholders' approval.

* Ceased to be an interested person with effect from 1 July 2007.
** Subsequent funds of S$7 million was repaid in March 2008.

PRINCIPLE 12 INTERNAL CONTROLS

The Group has a system of internal controls designed to provide reasonable assurance that proper accounting records are maintained, the Group's assets are safeguarded and that financial information used for financial reporting is reliable.

The Audit Committee has reviewed the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business. The Board is satisfied that the present internal controls and risk management are satisfactory in the light of the nature and size of the Group's business and operations.

PRINCIPLE 13 INTERNAL AUDIT

The Company has a group internal auditor to carry out internal audits. The group internal auditor reports directly to the Audit Committee on internal audit matters and to the Managing Director for administrative matters.

To ensure the adequacy of the internal audit function, the Audit Committee sets and reviews the scope, methodology and observations of the internal audit.

COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 14 COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to communicate regularly, effectively and fairly with its shareholders.

Financial results and material information are communicated to shareholders on a timely basis. Communication is made through:

- Annual reports that are prepared and issued to all shareholders;
- Announcements via SGXNET;
- Press releases on major developments;
- The Company's website at www.lkhs.com.sg from which shareholders can access information about the Group; and
- Notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings.

PRINCIPLE 15 GREATER SHAREHOLDER PARTICIPATION

Shareholders are encouraged to attend the Annual General Meeting and other general meetings of the Company to ensure a high level of accountability and to stay informed of the Group's development. The general meetings are the principal forum for dialogue with shareholders. Shareholders can vote in person or by way of proxy at the general meetings.

The notices of the general meetings are dispatched to shareholders, together with explanatory notes at least 14 clear days before each meeting. The notice is also advertised in a national newspaper. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally during, before or after the general meeting.

The Board will set separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item.

The Chairmen of the audit, nomination and remuneration committee would be present and available to address questions at general meetings. The external auditor would be present at the said meetings to assist the Directors in addressing any relevant queries by shareholders.

SECURITIES TRANSACTIONS

The Company has adopted and implemented a policy on dealings in the securities of the Company applicable to its Directors, Management and accounting staff. The policy is modeled on the Best Practices Guide in the SGX-ST Listing Manual. Under this policy, Directors, management and accounting staff are prohibited from dealing in the Company's shares two weeks to one month, as the case maybe, prior to the announcement of the Company's quarterly and full-year financial results and at any time while in possession of any unpublished material price-sensitive information.

CORPORATE GOVERANCE

RISK MANAGEMENT POLICIES AND PROCESSES

The main risks arising from the Group's business and financial instruments are operational and financial risks.

Operational risk is inherent in all business activities. To minimize such a risk, the Group has put in place a QEHS (Quality, Environmental, Occupational Health and Safety) system for the construction business and an operating manual for the hotel business. Senior management adopts a proactive and "hands-on" approach in managing and supervising the Group's business. In addition, the Group has taken comprehensive insurance policies to cover unexpected events and losses. Where necessary, the Group engages external consultants and experts to assist in the operations.

Financial risk management is discussed in Note 37 to the financial statements set out on pages 100 to 102.

DIRECTORSHIPS

The present and past directorships of the Directors in other listed companies, other than directorship in the Company, are as follows:

Name	Present Directorships	Past Directorships (preceding 3 years)
Tan Sri Dato' Low Keng Huat	General Corporation Bhd	–
Low Keng Boon	General Corporation Bhd	–
Low Keng Hoo	–	–
Ng Beng Tiong*	Micro-Mechanics (Holdings) Ltd	–
Low Poh Kuan	–	–
Dato' Marco Low Peng Kiat	General Corporation Bhd	–
Lee Han Yang	Wing Tai Holdings Ltd Tan Chong International Ltd	–
Lucas Liew	–	–
Wey Kim Long	–	–

* Resigned on 13 August 2007

CONTENTS

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2008.

NAMES OF DIRECTORS

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

Tan Sri Dato' Low Keng Huat
Low Keng Boon
Low Keng Hoo
Low Poh Kuan
Dato' Marco Low Peng Kiat
Lee Han Yang
Lucas Liew Kim Voon
Wey Kim Long

Mr Lee Han Yang, Mr Lucas Liew Kim Voon and Mr Wey Kim Long are independent and non-executive directors.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year was interested in shares or debentures of the Company and its related corporations except as follows:

	Direct interest		Deemed interest	
Name of director	As at 31 January 2007	**As at 31 January 2008**	As at 31 January 2007	**As at 31 January 2008**
	Number of shares			
Low Keng Huat (Singapore) Limited				
Tan Sri Dato' Low Keng Huat	200,000	**600,000**	63,943,000	**191,829,000**
Low Keng Boon	#200,000	**#900,000**	68,432,000	**205,296,000**
Low Keng Hoo	280,000	**840,000**	63,943,000	**191,829,000**
Low Poh Kuan	333,000	**999,000**	-	**-**
Dato' Marco Low Peng Kiat	*50,000	***150,000**	160,000	**480,000**
Lee Han Yang	80,000	**240,000**	-	**-**
Lucas Liew Kim Voon	76,000	**228,000**	-	**-**
Wey Kim Long	50,000	**150,000**	-	**-**

Reclassification of interest from direct to deemed of 3,150,000 shares (2007 - 1,050,000)

* Reclassification of interest from direct to deemed of 480,000 shares (2007 - 160,000)

DIRECTORS' REPORT

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (cont'd)

	Direct interest		Deemed interest	
Name of director	As at 31 January 2007	**As at 31 January 2008**	As at 31 January 2007	**As at 31 January 2008**
	Number of shares of RM1.00 each			
General Corporation Berhad				
Tan Sri Dato' Low Keng Huat	19,944,695	**19,944,695**	55,925,248	**57,801,909**
Low Keng Boon	24,688,616	**26,285,716**	49,456,831	**51,434,492**
Low Keng Hoo	12,136,680	**12,136,680**	49,952,406	**51,829,067**
Dato' Marco Low Peng Kiat	10,000	**10,000**	51,703,248	**53,579,909**
	Number of shares			
Kendall Pte Ltd				
Tan Sri Dato' Low Keng Huat	-	**-**	750	**750**
Low Keng Boon	-	**-**	750	**750**
Low Keng Hoo	-	**-**	750	**750**
Pyline Pte Ltd				
Tan Sri Dato' Low Keng Huat	-	**-**	750	**750**
Low Keng Boon	-	**-**	750	**750**
Low Keng Hoo	-	**-**	750	**750**
	Number of shares of A$1.00 each			
Narymal Pty Ltd				
Tan Sri Dato' Low Keng Huat	-	**-**	75	**75**
Low Keng Boon	-	**-**	75	**75**
Low Keng Hoo	-	**-**	75	**75**
Covemint Pty Ltd*				
Tan Sri Dato' Low Keng Huat	-	**-**	75	**-**
Low Keng Boon	-	**-**	75	**-**
Low Keng Hoo	-	**-**	75	**-**

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Tan Sri Dato' Low Keng Huat, Low Keng Boon and Low Keng Hoo are deemed to have an interest in all the subsidiaries of the Company.

The directors' interests in the ordinary shares of the Company as at 21 February 2008 were the same as those at 31 January 2008.

* liquidated during FY07/08

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50 except as disclosed in Note 28 and Note 32 to the financial statements.

SHARE OPTIONS

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

There were no unissued shares under option at 31 January 2008.

AUDIT COMMITTEE

The Audit Committee comprises the following members:

Lucas Liew Kim Voon (Chairman)
Lee Han Yang
Wey Kim Long

All members of the Audit Committee are independent and non-executive directors. The Audit Committee carried out its functions in accordance with Section 201B of the Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. The Audit Committee reviewed reports prepared by the external and internal auditors, the announcement of the unaudited results for half-year and full-year and the financial statements of the Company and the Group and the auditor's report therein for the full-year were reviewed prior to consideration and approval by the Board.

The Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board of Directors that the independent auditors, Foo Kon Tan Grant Thornton, be nominated for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The auditor, Foo Kon Tan Grant Thornton, Certified Public Accountants, has expressed their willingness to accept re-appointment.

DIRECTORS' REPORT

OTHER INFORMATION REQUIRED BY THE SGX-ST

Material information

Apart from the Service Agreements between certain executive directors and the Company, there are no material contracts to which the Company or any of its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year.

Interested person transactions

There were no interested person transactions as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year except as disclosed under "Principle 11 The Audit Committee" in the Statement of Corporate Governance.

On behalf of the Directors

LOW KENG BOON

LOW POH KUAN

Dated: 9 April 2008

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying balance sheet of the Company and the consolidated financial statements of the Group, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 January 2008 and of the results of the business, changes in equity and cash flows of the Group for the year ended on that date; and

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

On behalf of the Directors

LOW KENG BOON

LOW POH KUAN

Dated: 9 April 2008

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOW KENG HUAT (SINGAPORE) LIMITED

We have audited the accompanying financial statements of Low Keng Huat (Singapore) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the balance sheets of the Company and of the Group as at 31 January 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 207 of the Act. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOW KENG HUAT (SINGAPORE) LIMITED

Opinion

In our opinion:

(a) the consolidated financial statements of the Group and the balance sheet 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 Company and of the Group as at 31 January 2008 and the results, changes in equity and cash flows of the Group for the year ended on that date; and

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

Foo Kon Tan Grant Thornton
Public Accountants and
Certified Public Accountants

Singapore, 9 April 2008

BALANCE SHEETS

AS AT 31 JANUARY 2008

		The Company		The Group	
		31 January 2008	31 January 2007	**31 January 2008**	31 January 2007
	Notes	**$**	$	**$**	$
Assets					
Non-Current					
Investment properties	4	**4,387,237**	4,507,253	**8,310,090**	8,726,483
Property, plant and equipment	5	**8,680,754**	9,141,570	**76,306,328**	79,391,822
Development land	6	**-**	-	**-**	-
Subsidiaries	7	**76,413,498**	89,175,276	**-**	-
Associated companies	8	**145,813,602**	94,487,194	**159,765,177**	105,163,906
Joint ventures	9	**775,779**	1,016,969	**775,779**	1,016,969
Investments	10	**2,995,992**	2,796,984	**13,544,007**	14,717,915
Deferred tax assets	11	**-**	-	**-**	129,400
		239,066,862	201,125,246	**258,701,381**	209,146,495
Current					
Inventories	12	**-**	-	**535,782**	463,222
Work-in-progress	13	**12,434,988**	13,950,798	**13,297,826**	14,813,636
Trade and other receivables	14	**10,998,130**	12,298,653	**18,162,032**	15,726,229
Amounts owing by subsidiaries (trade)		**19,319,504**	19,321,659	**-**	-
Advances made to investee companies	15	**-**	-	**-**	-
Cash and cash equivalents	16	**317,492**	864,736	**27,243,233**	30,808,503
		43,070,114	46,435,846	**59,238,873**	61,811,590
Total assets		**282,136,976**	247,561,092	**317,940,254**	270,958,085

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

BALANCE SHEETS

AS AT 31 JANUARY 2008

		The Company		The Group	
		31 January 2008	31 January 2007	**31 January 2008**	31 January 2007
	Notes	**$**	$	**$**	$
Equity					
Capital and Reserves					
Share capital	17	**161,863,261**	71,276,937	**161,863,261**	71,276,937
Reserves	18	**764,949**	575,339	**4,982,700**	7,764,681
Retained profits	19	**18,602,852**	115,183,891	**27,399,850**	107,111,720
Exchange fluctuation account	20	**-**	-	**4,617,591**	4,407,213
		181,231,062	187,036,167	**198,863,402**	190,560,551
Minority interests		**-**	-	**8,705,059**	6,851,345
Total equity		**181,231,062**	187,036,167	**207,568,461**	197,411,896
Liabilities					
Non-Current					
Other payables	21	**-**	-	**355,000**	385,000
Deferred tax liabilities	11	**594,000**	617,000	**467,588**	536,340
		594,000	617,000	**822,588**	921,340
Current					
Trade and other payables	21	**10,947,754**	15,363,135	**23,589,442**	26,718,672
Amounts owing to subsidiaries					
- trade		**260,044**	261,256	**-**	-
- non-trade	22	**12,787,524**	8,110,246	**-**	-
Advances received from a joint venture	23	**850,000**	850,000	**850,000**	850,000
Amounts owing to a minority shareholder of subsidiaries (non-trade)	24	**-**	-	**4,530,219**	5,885,040
Provision for directors' fee		**170,000**	147,500	**170,000**	147,500
Current tax payable		**20,925**	211,531	**5,133,877**	4,059,380
Bank borrowings	25	**75,273,417**	34,964,235	**75,273,417**	34,964,235
Amount owing to holding company (non-trade)	26	**2,250**	22	**2,250**	22
		100,311,914	59,907,925	**109,549,205**	72,624,849
Total liabilities		**100,905,914**	60,524,925	**110,371,793**	73,546,189
Total equity and liabilities		**282,136,976**	247,561,092	**317,940,254**	270,958,085

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

		The Group	
		Year ended 31 January 2008	**Year ended 31 January 2007**
	Notes	**$**	**$**
Revenue	3	**113,321,897**	117,287,315
Cost of sales		**(101,641,854)**	(85,674,157)
Gross profit		**11,680,043**	31,613,158
Other operating income	27(a)	**9,941,041**	2,948,471
Distribution costs		**(1,779,826)**	(2,028,859)
Administrative costs		**(12,967,398)**	(11,713,292)
Other operating expenses	27(b)	**(2,002,299)**	(10,681,533)
Finance costs	27(c)	**(1,154,737)**	(876,473)
Profit from operations		**3,716,824**	9,261,472
Share of losses in joint ventures		**(240,151)**	-
Share of associated companies' profits		**16,368,484**	7,918,870
Profit before taxation	28	**19,845,157**	17,180,342
Taxation	29	**(4,415,526)**	(2,646,733)
Profit after taxation for the year		**15,429,631**	14,533,609
Attributable to:			
Equity holders of the Company		**13,686,786**	13,133,205
Minority interests		**1,742,845**	1,400,404
		15,429,631	14,533,609
Basic earnings per share	30	**4.17 cents**	4.21 cents
Diluted earnings per share	30	**4.17 cents**	4.21 cents

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

	Notes	Share capital $	Reserves $	Retained profits $	Exchange fluctuation account $	Sub-total $	Minority interests $	Total equity $
Balance at 1 February 2006								
- as reported		71,176,937	37,844,465	66,132,168	5,870,356	181,023,926	10,508,721	191,532,647
Effects on adopting FRS 40		-	(325,548)	123,764	-	(201,784)	-	(201,784)
Restated balance		71,176,937	37,518,917	66,255,932	5,870,356	180,822,142	10,508,721	191,330,863
Transfer to retained earnings		-	(35,098,743)	35,098,743	-	-	-	-
Net fair value gain on available-for-sale financial assets recognised directly to equity	18	-	5,366,360	-	-	5,366,360	-	5,366,360
Fair value gain on available-for-sale financial assets recycled to income statement on derecognition	18	-	(21,853)	-	-	(21,853)	-	(21,853)
Loss not recognised in income statement		-	-	-	(1,463,143)	(1,463,143)	(269,168)	(1,732,311)
Net gains/(losses) recognised directly to equity		-	5,344,507	-	(1,463,143)	3,881,364	(269,168)	3,612,196
Net profit for the year		-	-	13,133,205	-	13,133,205	1,400,404	14,533,609
Total recognised income and expenses for the year		-	5,344,507	13,133,205	(1,463,143)	17,014,569	1,131,236	18,145,805
Share options exercised	17	100,000	-	-	-	100,000	-	100,000
2006 dividends paid	33	-	-	(7,376,160)	-	(7,376,160)	(4,788,612)	(12,164,772)
Balance at 31 January 2007		**71,276,937**	**7,764,681**	**107,111,720**	**4,407,213**	**190,560,551**	**6,851,345**	**197,411,896**
Net fair value loss on available-for-sale financial assets recognised directly to equity	18	**-**	**(2,623,183)**	**-**	**-**	**(2,623,183)**	**-**	**(2,623,183)**
Fair value gain on available-for-sale financial assets recycled to income statement on derecognition	18	**-**	**(158,798)**	**-**	**-**	**(158,798)**	**-**	**(158,798)**
Gain not recognised in income statement		**-**	**-**	**-**	**210,378**	**210,378**	**132,695**	**343,073**
Net (losses)/gains recognised directly to equity		**-**	**(2,781,981)**	**-**	**210,378**	**(2,571,603)**	**132,695**	**(2,438,908)**
Net profit for the year		**-**	**-**	**13,686,786**	**-**	**13,686,786**	**1,742,845**	**15,429,631**
Total recognised income and expenses for the year		**-**	**(2,781,981)**	**13,686,786**	**210,378**	**11,115,183**	**1,875,540**	**12,990,723**
Shares issued in pursuant to Rights Issue	17	**90,874,368**	**-**	**-**	**-**	**90,874,368**	**-**	**90,874,368**
Rights Issue expenses	17	**(288,044)**	**-**	**-**	**-**	**(288,044)**	**-**	**(288,044)**
Special dividends		**-**	**-**	**(90,874,368)**	**-**	**(90,874,368)**	**-**	**(90,874,368)**
2007 dividends paid	33	**-**	**-**	**(2,524,288)**	**-**	**(2,524,288)**	**(21,826)**	**(2,546,114)**
Balance at 31 January 2008		**161,863,261**	**4,982,700**	**27,399,850**	**4,617,591**	**198,863,402**	**8,705,059**	**207,568,461**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

	Year ended 31 January 2008	Year ended 31 January 2007
	$	$
Cash Flows from Operating Activities		
Profit before taxation	**19,845,157**	17,180,342
Share of losses in joint ventures	**240,151**	-
Share of associated companies' profits	**(16,368,484)**	(7,918,870)
Adjustments for:		
Depreciation of property, plant and equipment	**4,674,544**	4,338,458
Depreciation of investment properties	**175,633**	159,470
Exchange difference	**69,836**	843,608
Loss/(gain) on disposal of:		
- property, plant and equipment	**140,689**	(18,628)
- investment properties	**(94,345)**	(44,006)
- quoted equity investments	**(67,060)**	(78,689)
- an associated company	**-**	126,740
Property, plant and equipment written off	**-**	243
Impairment loss on unquoted equity investments	**545,771**	1,502,141
Fair value gains on derecognition of available-for-sale financial assets	**(158,798)**	(21,853)
Deficit on liquidation of a subsidiary	**9,736**	-
Capital return from an associated company in liquidation	**-**	(24,564)
Impairment loss on receivables no longer required		
- non-trade	**(46,369)**	(77,793)
- trade	**-**	(108,019)
Impairment loss on receivables	**22,903**	304,548
Bad debts written off	**-**	53,983
Goodwill written off	**-**	65,129
Interest expense	**1,154,737**	876,473
Interest income	**(2,428,928)**	(2,371,121)
Operating profit before working capital changes	**7,715,173**	14,787,592
Balance carried forward	**7,715,173**	14,787,592

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

	Year ended 31 January 2008	Year ended 31 January 2007
	$	**$**
Balance brought forward	**7,715,173**	14,787,592
Inventories and work-in-progress	**1,538,615**	(8,240,864)
Receivables	**(2,412,336)**	4,422,844
Payables	**(4,499,059)**	4,133,687
Cash generated from operations	**2,342,393**	15,103,259
Interest paid	**(1,181,398)**	(790,979)
Income taxes paid	**(3,243,633)**	(10,974,874)
Net cash (used in)/generated from operating activities	**(2,082,638)**	3,337,406
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	**(2,085,061)**	(6,503,501)
Acquisition of quoted equity investments	**(2,207,210)**	(2,188,551)
Capital contribution made towards associated companies	**(9,775,787)**	(7,239,703)
Interest received	**2,266,480**	1,070,104
Advances made to associated companies	**(44,549,169)**	(29,088,371)
Capital return from an associated company in liquidation	**14,742,900**	300,000
Capital reduction in a former associated company, now a subsidiary	**-**	12,500,000
Dividends from associated companies	**1,500,000**	4,872,155
Proceeds from sale of investments	**279,219**	633,298
Proceeds from sale of property, plant and equipment	**509,200**	18,628
Proceeds from sale of investment properties	**335,104**	154,493
Proceeds from sale of an associated company	**-**	1,187,614
Net cash outflow on acquisition of a former associated company, now a subsidiary (Note A)	**-**	(345,156)
Net cash used in investing activities	**(38,984,324)**	(24,628,990)
Cash Flows from Financing Activities		
Share options exercised	**-**	100,000
Dividends paid to shareholders of the Company	**(2,524,288)**	(7,376,160)
Dividends paid to minority shareholder of a subsidiary	**(21,826)**	(4,788,612)
Rights Issue expenses	**(288,044)**	-
Receipts from an investee company	**-**	12,733
Loans from financial institutions obtained	**71,824,007**	69,050,000
Loans from financial institutions repaid	**(35,870,000)**	(44,555,000)
Net cash generated from financing activities	**33,119,849**	12,442,961
Net decrease in cash and cash equivalents	**(7,947,113)**	(8,848,623)
Cash and cash equivalents at beginning of year	**29,382,203**	38,230,826
Cash and cash equivalents at end of year	**21,435,090**	29,382,203

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

The cash and cash equivalents comprise:

	The Group	
	Year ended 31 January 2008	Year ended 31 January 2007
	$	$
Cash and cash equivalents (Note 16)	**27,243,233**	30,808,503
Bank overdrafts (Note 25)	**(5,808,143)**	(1,426,300)
	21,435,090	29,382,203

A. Incorporation/acquisition of subsidiaries

The Group incorporated/acquired certain subsidiaries. The fair value of assets acquired and liabilities assumed were as follows:

	2008 $	2007 $
Net assets/(liabilities) acquired		
Property, plant and equipment	-	775,014
Current assets	-	281,123
Cash and cash equivalents	-	2,364,936
Current liabilities	-	(739,011)
	-	2,682,062
Goodwill on acquisition written off	-	28,030
Purchase consideration	**10,000**	2,710,092
Less:		
Cash and cash equivalents acquired	**(10,000)**	(2,364,936)
Cash outflow on acquisition	-	345,156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the financial year ended 31 January 2008 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The Company is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange.

The registered office of the Company is located at 80 Marine Parade Road, #18-05/09 Parkway Parade, Singapore 449269.

The principal activities of the Company consist of general building contractors and investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The immediate and ultimate holding company of the Company is General Corporation Berhad, a company incorporated in Malaysia.

2(a) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Critical assumptions used and accounting estimates in applying accounting policies

Income tax

The Group has exposure to income taxes in several jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the Group-wide provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(a) BASIS OF PREPARATION (cont'd)

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The carrying amounts of the Company's and the Group's property, plant and equipment at 31 January 2008 are $8,680,754 (2007 - $9,141,570) and $76,306,328 (2007 - $79,391,822) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

Depreciation of investment properties

Investment properties of the Company and the Group are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 15 to 99 years. The carrying amounts of the Company's and the Group's investment properties as at 31 January 2008 are $4,387,237 (2007 - $4,507,253) and $8,310,090 (2007 - $8,726,483) respectively.

Critical judgements made in applying accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2(c), management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Impairment in investment in subsidiaries

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

Allowance for bad and doubtful debts

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

Construction contracts

The Company recognises profits from construction contracts using the percentage of completion method based on the stage of completion. The stage of completion is measured by reference to the architect's certification of value of work done to-date, and the contract costs incurred to-date to the estimated total costs for the contract, as may be applicable.

Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the contract cost incurred for any project exceeds its contract sum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(b) CHANGE IN ACCOUNTING POLICIES

On 1 February 2007, the Company and the Group adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's and the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the Company and the Group:

Amendments to FRS 1	Presentation of Financial Statements - Capital Disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	Scope of FRS 102
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment

The adoption of the above FRS and INT FRS did not result in substantial changes to the Company's and the Group's accounting policies nor any significant impact on these financial statements. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively, and the adoption of FRS 40.

The Group has adopted FRS 40 Investment Property on 1 February 2007 (effective date of the standard is 1 January 2007). The effects on adoption are set out below.

The Group holds land, office units and a warehouse whose usage is currently for normal business operations, which were accounted for as an item of property, plant and equipment in the financial year ended 31 January 2007.

Under FRS 40, land and building that has not been determined for use as owner-occupied property or for short-term sale in the ordinary course of business is regarded as held for leased out. Consequently, land, office units and a warehouse held by the Group have been reclassified to investment properties on transition to FRS 40 on 1 February 2006.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(b) CHANGE IN ACCOUNTING POLICIES (cont'd)

The effects to the balance sheets and income statement items are as follows:

	Increase/(Decrease)		Increase/(Decrease)	
	31.1.2008 **$**	**1.2.2007** **$**	**31.1.2007** **$**	**1.2.2006*** **$**
The Company				
Balance sheet				
Investment properties (net)	**4,387,237**	**4,507,253**	4,507,253	4,627,269
Property, plant and equipment (net)	**(947,237)**	**(1,067,253)**	(1,067,253)	(1,187,269)
Development land (net)	**(3,440,000)**	**(3,440,000)**	(3,440,000)	(3,440,000)
Income statement				
Depreciation of property, plant and equipment	**120,016**		120,016	
Depreciation of investment properties	**(120,016)**		(120,016)	

	Increase/(Decrease)		Increase/(Decrease)	
	31.1.2008 **$**	**1.2.2007** **$**	**31.1.2007** **$**	**1.2.2006*** **$**
The Group				
Balance sheet				
Investment properties (net)	**6,710,145**	**6,869,615**	6,869,615	7,029,085
Property, plant and equipment (net)	**(3,471,929)**	**(3,631,399)**	(3,631,399)	(3,790,869)
Development land (net)	**(3,440,000)**	**(3,440,000)**	(3,440,000)	(3,440,000)
Retained profits	**123,764**	**123,764**	123,764	123,764
Revaluation reserves	**(325,548)**	**(325,548)**	(325,548)	(325,548)
Income statement				
Depreciation of property, plant and equipment	**159,470**		159,470	
Depreciation of investment properties	**(159,470)**		(159,470)	

* Adjustments are made to the opening balance sheet at 1 February 2006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(b) CHANGE IN ACCOUNTING POLICIES (CONT'D)

A. FRS and INT FRS not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

FRS 1 (Revised)	Presentation of Financial Statements
FRS 2 (Revised)	Inventories
FRS 7 (Amendment)	Cash Flow Statements
FRS 8 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 11 (Amendment)	Construction Contracts
FRS 16 (Revised)	Property, Plant and Equipment
FRS 19 (Amendment)	Employee Benefits
FRS 23 (Revised)	Borrowing Costs
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 33 (Amendment)	Earnings Per Share
FRS 34 (Amendment)	Interim Financial Reporting
FRS 36 (Revised)	Impairment of Assets
FRS 38 (Revised)	Intangible Assets
FRS 101 (Amendment)	First-time Adoption of Financial Reporting Standards
FRS 104 (Revised)	Insurance Contracts - Implementation Guidance
FRS 105 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations
FRS 106 (Amendment)	Exploration for and Evaluation of Mineral Resources
FRS 108	Operating Segments
INT FRS 29	Disclosure - Service Concession Arrangements
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities
INT FRS 104	Determining Whether an Arrangement Contains a Lease
INT FRS 111	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	Service Concession Arrangements

The directors do not anticipate that the adoption of these FRS and INT FRS in future periods will have a material impact on the financial statements, except for investment properties as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Details of the subsidiaries are listed in Note 7 to the financial statements.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the effective date in which control is transferred to the Group or in which control ceases, respectively.

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated below.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the income statement on the date of acquisition.

Where accounting policies of a subsidiary do not conform with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group as well as contingent liabilities. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line basis over its remaining lease period. Freehold land held as an investment property is not subject to depreciation.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to the income statement. The cost of maintenance, repairs and minor improvement is charged to the income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost or valuation of the assets, over their estimated useful lives as follows:

Freehold property (hotel)	50 years
Plant, machinery and surveying equipment	5 to 20 years
Motor vehicles	4 to 10 years
Furniture, fittings and equipment	3 to 20 years
Office renovation	10 years

Leasehold properties are amortised on the straight-line method over the remaining period of the lease (maximum of 99 years).

Leasehold properties, other than those properties where, in the opinion of the directors, the lease period is considered not a long-term (i.e. less than 30 years) for which an annual review of impairment is considered to be more appropriate, are revalued every five years by the directors based upon the advice of professional valuers on the open market values on an existing use basis or latest price transacted for a similar property situated at same location to update the book values.

The residual values, if any, and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of property, plant and equipment.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to a property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing property, plant and equipment, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiaries

A subsidiary is defined as a company in which the investing company has a long-term equity interest of more than 50% or over whose financial and operating policy decisions the Group controls.

Shares in subsidiaries are stated at cost less any impairment losses on an individual subsidiary basis.

Associated companies

An associated company is defined as a company, not being a subsidiary, in which the Group has a long-term interest of 20% to 50% of the equity and over whose financial and operating policies the Group exercises significant influence.

The Group's share of the post-acquisition results of associated companies, based on the latest available unaudited financial statements, is included in the consolidated income statement using the equity method of accounting. In applying the equity method, unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Company's and the Group's share of losses of an associated company equals or exceeds the carrying amount of an investment, the Company and the Group ordinarily discontinue the inclusion of its share of further losses. Such investment is consequently reported at nil value. Additional losses are provided for to the extent that the Company and the Group have incurred obligations or made payments on behalf of the associated company to satisfy obligations of the associated company that the Company and the Group have guaranteed or otherwise committed, for example, in the forms of loans. When the associated company subsequently reports profits, the Company and the Group resume the inclusion of its share of those profits only after its share of the profits equals the share of net losses recognised.

The Company's and the Group's share of the net assets and post-acquisition retained profits and reserves of associated companies are reflected in the book values of the investments in the balance sheet of the Company and the Group.

Where the accounting policies of an associated company do not conform with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

On acquisition of the investment, any difference between the cost of acquisition and the Group's share of the fair values of the net identifiable assets of the associated company is accounted for in accordance with the accounting policies on "Consolidation".

When financial statements of associated companies with different reporting dates are used (not more than three months apart), adjustments are made for the effects of any significant events or transactions between the investor and the associated companies that occur between the date of the associated companies' financial statements and the Company's and the Group's balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Joint ventures

Investments in joint ventures are stated at cost. Interest in joint ventures, other than subsidiaries, is accounted for similar to an associated company using the equity method in the balance sheets of the Company and of the Group. The share of results of the joint ventures is included in the consolidated income statement. A list of the interest in joint ventures is shown in Note 9 to the financial statements.

Additional losses are provided for to the extent that the Company and the Group have incurred obligations or made payments on behalf of the joint ventures to satisfy obligations of the joint ventures that the Company and the Group have guaranteed or otherwise committed, for example, in the forms of loans. When the joint ventures subsequently report profits, the Company and the Group resume the inclusion of its share of those profits only after its share of the profits equals the share of net losses recognised.

Allowance is made for any impairment losses on an individual joint venture basis.

Financial assets

Financial assets include cash and financial instruments. Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Company and the Group only have investments in quoted equity shares and investments in unquoted equity shares which are classified as assets available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company and the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are then classified as non-current assets, if any.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income statement.

Receivables are provided against when there is objective evidence that the Company and the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include trade and non-trade balances with third parties, related companies and deposits held in banks.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the income statement for the period.

In the case of unquoted equity shares, the Group records and recognises the investments at cost less impairment (Note 10).

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the income statement even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in income statement shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in income statement.

Impairment losses recognised in income statement for unquoted equity investments classified as available-for-sale are not subsequently reversed through income statement. Impairment losses recognised in income statement for debt instruments classified as available-for-sale are subsequently reversed in income statement if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing or valuation models.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving or defective inventories, if any, in arriving at the net realisable value.

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

Work-in-progress

Work-in-progress on long-term construction contracts is stated at cost plus attributable profits less progress billings under the percentage of completion method. Cost comprises materials, direct labour, sub-contractors' cost and an appropriate proportion of overheads.

The percentage of completion is based on architects' certification of construction work completed.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, irrespective of whether or not work has commenced.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits with a short maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand, and which are integral to the Group's cash management.

Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities

The Company's and the Group's financial liabilities include bank borrowings, trade and non-trade balances with third parties and related companies.

Financial liabilities are recognised when the Company and the Group become a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the consolidated income statement.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date. Borrowings to be settled within the Company's and the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

Equity instruments issued by the Company, if any, are recorded at the proceeds received, net of direct issue costs.

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

Financial guarantees

The Company has issued corporate guarantees to banks for bank facilities granted to its subsidiaries, associated companies and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the respective parties fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts, if any, are initially recognised at their fair value plus transaction costs.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Operating leases

Where the Company/Group is the lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the income statement when incurred.

Where the Company/Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. Rental income is recognised on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Company and the Group have 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 a reliable estimate can be made of the amount of the obligation.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, if any, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Employee benefits

Pension obligations

The Company and the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, or its equivalent as applicable to foreign subsidiaries, in respect of eligible employees. The Company's and the Group's contributions to CPF or its equivalent are charged to the income statement in the period to which the contributions relate.

Employee leave entitlements

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

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company and the Group. Directors are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes

The liability method of tax effect accounting is adopted by the Company and the Group. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or 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).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or 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).

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Any impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from construction contracts is recognised on the percentage of completion method based on physical work done.

Fees from hotel management services are recognised as revenue when services are rendered.

Revenue from rental is recognised on a monthly basis upon acceptance of tenancy. Rental incentives, if any, are considered an integral part of total rental cost.

Revenue from hotel operations is recognised when services are rendered.

Interest income is recognised on a time-apportioned basis using the effective interest method.

Dividend income from investments is recognised when the right to receive the dividend has been established.

Dividends to Company's shareholders

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

Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Monetary items

Foreign currency monetary items measured at fair value are translated into the functional currency at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Except for the situation described below, exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

- Where a monetary item in substance forms part of the Company's net investment in the foreign subsidiaries and associated companies, exchange differences arising on such a monetary item are recorded directly to exchange fluctuation reserve to the extent that the net investment is represented by net assets in the foreign entity until the disposal of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Conversion of foreign currencies (cont'd)

Non-monetary items

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on non-monetary items, whereby the gains or losses are recognised in the income statement, such as equity investments held at fair value through profit or loss or investment properties carried at fair value, if any, are reported as part of the fair value gains or losses in "other gains/losses - net".

Changes in the fair value of monetary securities denominated in foreign currencies classified as available-for-sale are analysed into currency translation differences on the amortised cost of the securities, and other changes. Currency translation differences on the amortised cost are recognised in the income statement, and other changes are recognised in fair value reserve within equity.

Currency translation differences on other non-monetary items whereby the gains or losses are recognised directly in equity, such as property, plant and equipment are included in the asset revaluation reserve. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;
(ii) Income and expenses are translated at average exchange rates; and
(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Financial instruments

Financial instruments carried on the balance sheets include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are generally recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Segment reporting

A segment is a distinguishable component of the Group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length 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.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the Group. Information for geographical segments is based on the geographical location of the principal places of business.

3 REVENUE

Revenue of the Company represents revenue from building projects.

Revenue of the Group includes revenue from hotel operations, rental income and excludes inter-company transactions, and applicable goods and services tax. The segment analysis of the Group is given in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

4 INVESTMENT PROPERTIES

	The Company		The Group	
	2008 $	2007 $	2008 $	2007 $
Cost				
Balance at beginning of year	**9,953,182**	-	**14,982,768**	1,856,868
Effect of adopting FRS 40 [Note 2(b)]	**-**	9,953,182	**-**	13,125,900
Disposals	**-**	-	**(240,759)**	-
Balance at end of year	**9,953,182**	9,953,182	**14,742,009**	14,982,768
Accumulated depreciation				
Balance at beginning of year	**732,993**	-	**1,543,350**	-
Effect of adopting FRS 40 [Note 2(b)]	**-**	612,977	**-**	1,383,879
	732,993	612,977	**1,543,350**	1,383,879
Depreciation for the year	**120,016**	120,016	**175,633**	159,470
Balance at end of year	**853,009**	732,993	**1,718,983**	1,543,349
Impairment loss				
Balance at beginning of year	**4,712,936**	-	**4,712,936**	-
Effect of adopting FRS 40 [Note 2(b)]	**-**	4,712,936	**-**	4,712,936
Balance at end of year	**4,712,936**	4,712,936	**4,712,936**	4,712,936
Net book value	**4,387,237**	4,507,253	**8,310,090**	8,726,483
Fair value	**4,467,237**	4,587,253	**11,717,051**	10,583,229

Investment properties are carried at cost at the balance sheet date and leased to non-related parties under operating leases [Note 34(b)].

	Notes	2008 $	2007 $
The Group			
Income			
Rental income	27(a)	**335,118**	264,789
Expenses			
Depreciation	28	**175,633**	159,470
Maintenance fee		**45,129**	42,078
Property tax		**148,631**	147,500
License fee		**109,491**	109,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

4 INVESTMENT PROPERTIES (cont'd)

The investment properties comprise:

Location	Description	Area (sq. metres)	Tenure	Net book value ($)
Section 49, Town and District of Kuala Lumpur, Malaysia (1)	Land at Lot 13 to Lot 19 and Lot 117	1,310	Freehold	3,440,000
80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore (2)	4 office units	468	99 years lease commencing 17 August 1979	2,322,904
Lot 262, Mukim of Ampang, Wilayah Persekutuan held under Geran 5813, Selangor, West Malaysia (3)	15 units of freehold residential apartments	2,203	Freehold	1,599,948
1790 PT Plot A14609, Sungei Kadut Loop, Singapore	4-storey flatted warehouse	1,475	30 years lease commencing 1 March 1995	947,238
				8,310,090

Notes:

(1) On 13 March 2008, a valuation on the vacant land was carried out by the directors of the Company to be RM10,400,000 ($4,576,000) based on open market value on the basis that the said parcel of land is vacant with no intention of development.

(2) The latest price for a sale transaction in July 2007, indicated that the estimated current market value is $4,951,813 on the investment properties located at 80 Marine Parade Road. This latest value was not incorporated in the financial statements.

(3) Based on the latest two units of the residential apartments sold during the financial year ended 31 January 2008, the directors of the Company are of the opinion that the current market value is not below the book value as recorded in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property, at cost	Leasehold properties, at valuation	Plant, machinery and surveying equipment	Motor vehicles	Furniture, fittings and equipment	Office renovation	Total
	$	$	$	$	$	$	$
The Company							
Cost*							
At 1 February 2006	9,837,412	4,009,100	1,984,522	1,886,695	1,687,438	60,210	19,465,377
Effect of adopting FRS 40 [Note 2(b)]	(1,800,246)	-	-	-	-	-	(1,800,246)
As restated	8,037,166	4,009,100	1,984,522	1,886,695	1,687,438	60,210	17,665,131
Additions	-	-	47,000	-	23,785	-	70,785
Disposals	-	-	(121,945)	-	-	-	(121,945)
At 31 January 2007	8,037,166	4,009,100	1,909,577	1,886,695	1,711,223	60,210	17,613,971
Additions	-	-	5,200	601,471	14,880	-	621,551
Disposals	-	-	-	(681,898)	-	-	(681,898)
At 31 January 2008	**8,037,166**	**4,009,100**	**1,914,777**	**1,806,268**	**1,726,103**	**60,210**	**17,553,624**
Accumulated depreciation							
At 1 February 2006	3,349,601	832,127	1,949,030	824,574	1,335,942	54,190	8,345,464
Effect of adopting FRS 40 [Note 2(b)]	(612,977)	-	-	-	-	-	(612,977)
As restated	2,736,624	832,127	1,949,030	824,574	1,335,942	54,190	7,732,487
Depreciation for the year	535,812	43,577	7,127	187,477	81,846	6,020	861,859
Disposals	-	-	(121,945)	-	-	-	(121,945)
At 31 January 2007	3,272,436	875,704	1,834,212	1,012,051	1,417,788	60,210	8,472,401
Depreciation for the year	535,810	43,577	10,037	177,343	112,357	-	879,124
Disposals	-	-	-	(478,655)	-	-	(478,655)
At 31 January 2008	**3,808,246**	**919,281**	**1,844,249**	**710,739**	**1,530,145**	**60,210**	**8,872,870**
Net book value							
At 31 January 2008	**4,228,920**	**3,089,819**	**70,528**	**1,095,529**	**195,958**	**-**	**8,680,754**
At 31 January 2007	4,764,730	3,133,396	75,365	874,644	293,435	-	9,141,570

* At cost, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) Properties

	Freehold property	Leasehold properties, at cost	Leasehold properties, at valuation	Sub-total
	$	$	$	$
The Group				
Cost*				
At 1 February 2006	28,142,399	42,636,947	7,317,250	78,096,596
Effect of adopting FRS 40 [Note 2(b)]	-	(1,800,247)	(3,308,150)	(5,108,397)
As restated	28,142,399	40,836,700	4,009,100	72,988,199
Additions	-	730,762	-	730,762
Exchange translation difference	(855,063)	(1,842,489)	-	(2,697,552)
At 31 January 2007	27,287,336	39,724,973	4,009,100	71,021,409
Additions	-	204,288	-	204,288
Disposals	-	(530,535)	-	(530,535)
Exchange translation difference	1,496,361	(2,820,674)	-	(1,324,313)
At 31 January 2008	**28,783,697**	**36,578,052**	**4,009,100**	**69,370,849**
Accumulated depreciation				
At 1 February 2006	1,533,192	14,133,582	1,536,680	17,203,454
Effect of adopting FRS 40 [Note 2(b)]	-	(612,977)	(704,553)	(1,317,530)
As restated	1,533,192	13,520,605	832,127	15,885,924
Depreciation for the year	134,848	1,320,446	43,579	1,498,873
Exchange translation difference	(49,860)	(616,162)	-	(666,022)
At 31 January 2007	1,618,180	14,224,889	875,706	16,718,775
Depreciation for the year	251,294	1,117,952	43,575	1,412,821
Disposals	-	(528,335)	-	(528,335)
Exchange translation difference	95,189	(998,242)	-	(903,053)
At 31 January 2008	**1,964,663**	**13,816,264**	**919,281**	**16,700,208**
Net book value				
At 31 January 2008	**26,819,034**	**22,761,788**	**3,089,819**	**52,670,641**
At 31 January 2007	25,669,156	25,500,084	3,133,394	54,302,634

* At cost, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(ii) Other property, plant and equipment

	Plant, machinery and surveying equipment	Motor vehicles	Furniture, fittings and equipment	Office renovation	Sub-total	Total
	$	$	$	$	$	$
The Group						
Cost						
At 1 February 2006	37,523,549	2,455,411	12,578,589	60,210	52,617,759	130,714,355
Effect of adopting FRS 40 [Note 2(b)]	-	-	-	-	-	(5,108,397)
As restated	37,523,549	2,455,411	12,578,589	60,210	52,617,759	125,605,958
Upon acquisition of a former associated company, now a subsidiary	832,116	-	472,227	1,402,677	2,707,020	2,707,020
Additions	485,469	166,448	4,268,151	852,671	5,772,739	6,503,501
Disposals	(121,945)	(61,541)	(527,710)	-	(711,196)	(711,196)
Exchange translation difference	(1,155,741)	(25,046)	(505,724)	-	(1,686,511)	(4,384,063)
At 31 January 2007	37,563,448	2,535,272	16,285,533	2,315,558	58,699,811	129,721,220
Additions	204,795	877,647	745,265	53,066	1,880,773	2,085,061
Disposals	(19,761)	(1,170,683)	(8,576,939)	(71,241)	(9,838,624)	(10,369,159)
Reclassifications	(97,702)	-	(15,482)	(157,665)	(270,849)	(270,849)
Exchange translation difference	2,032,123	(50,539)	(936,829)	-	1,044,755	(279,558)
At 31 January 2008	**39,682,903**	**2,191,697**	**7,501,548**	**2,139,718**	**51,515,866**	**120,886,715**
Accumulated depreciation						
At 1 February 2006	18,414,198	1,393,290	11,595,120	54,190	31,456,798	48,660,252
Effect of adopting FRS 40 [Note 2(b)]	-	-	-	-	-	(1,317,530)
As restated	18,414,198	1,393,290	11,595,120	54,190	31,456,798	47,342,722
Upon acquisition of a former associated company, now a subsidiary	276,534	-	428,774	451,684	1,156,992	1,156,992
Depreciation for the year	1,798,692	193,746	444,078	310,634	2,747,150	4,246,023
Disposals	(121,945)	(61,541)	(527,467)	-	(710,953)	(710,953)
Exchange translation difference	(535,454)	(25,046)	(478,864)	-	(1,039,364)	(1,705,386)
At 31 January 2007	19,832,025	1,500,449	11,461,641	816,508	33,610,623	50,329,398
Depreciation for the year	1,721,388	237,843	988,311	409,546	3,357,088	4,769,909
Disposals	(26,854)	(929,359)	(8,183,692)	(51,030)	(9,190,935)	(9,719,270)
Reclassifications	(97,702)	-	(15,482)	(157,665)	(270,849)	(270,849)
Exchange translation difference	1,032,319	(38,056)	(620,011)	-	374,252	(528,801)
At 31 January 2008	**22,461,176**	**770,877**	**3,630,767**	**1,017,359**	**27,880,179**	**44,580,387**
Net book value						
At 31 January 2008	**17,221,727**	**1,420,820**	**3,870,781**	**1,122,359**	**23,635,687**	**76,306,328**
At 31 January 2007	17,731,423	1,034,823	4,823,892	1,499,050	25,089,188	79,391,822

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	The Company		The Group	
	2008 $	**2007 $**	**2008 $**	**2007 $**
Depreciation charged to:				
Work-in-progress (Note 13)				
- current year	**95,365**	73,316	**95,365**	73,316
- overprovision in respect of prior years	**-**	(165,751)	**-**	(165,751)
	95,365	(92,435)	**95,365**	(92,435)
Income statement (Note 28)	**783,759**	954,294	**4,674,544**	4,338,458
	879,124	861,859	**4,769,909**	4,246,023

(i) The freehold property comprises:

Location	Description	Land area (sq. metres)	Tenure
No.1 St. George's Terrace Perth Western Australia Australia	306-room Duxton Hotel, Perth	3,500	Freehold

The freehold property and hotel's plant and machinery at No. 1 St. George's Terrace, Perth, were valued by the directors of the Company based on a valuation on open market value on walk-in walk-out basis by DTZ Debenham International, Australia to be A$60,000,000 ($75,600,000) on 19 June 2002. This valuation was not incorporated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(ii) (a) The leasehold properties comprise:

Location	Description	Area (sq. metres)	Tenure	Net book value ($)
63 Nguyen Hue, Ho Chi Minh City Socialist Republic of Vietnam [1]	203-room hotel	2,002	50 years lease commencing 25 September 1992	18,350,547
1790 PT Plot A14609, Sungei Kadut Loop, Singapore	4-storey flatted warehouse	6,584	30 years lease commencing 1 March 1995	4,228,920
80 Marine Parade Road 18th Floor of Parkway Parade Singapore [2]	5 office units	570	99 years lease commencing 17 August 1979	3,089,819
Long Hua Garden 26 Block B, No. 585 Long Wu Road Shanghai 201101, People's Republic of China [3]	Office	194	50 years commencing 1995	182,321
				25,851,607

Notes:

(1) On 31 January 2007, the leasehold property, Duxton Hotel Saigon located at 63 Nguyen Hue was valued by a firm of independent professional valuers on the basis of open market to be US$48 million. This valuation has not been incorporated in the financial statements as the directors of the Company take the prudent view on the basis that the subsidiary, Vinametric Limited, owning the hotel, is operating on a going concern basis, and also the said subsidiary has yet to recover the losses incurred which accumulated to $19.4 million (US$13.7 million).

(2) On 31 January 2003, a valuation on the 5 office units and 4 office units included under "Property, plant and equipment" and "Investment properties" (Note 4) respectively was carried out by the directors of the Company to be $6,031,199 based on the latest price transacted on 13 April 2002 for an office unit situated at 80 Marine Parade Road. This valuation was incorporated in the financial statements.

Based on the latest price for a sale transaction carried out in July 2007, indicated that the estimated current market value is $6,030,705 on these five office units located at 80 Marine Parade Road. This latest value was not incorporated in the financial statements.

(3) No valuation has been carried out on the office leasehold property with current year's book value of $182,321 (2007 - $195,585) in the People's Republic of China as the directors of the Company are actively seeking an interested buyer for this property and the amount is regarded as insignificant in relation to the leasehold properties taken as a whole.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(ii) (b) Had historical costs less depreciation of the revalued leasehold properties located at 80 Marine Parade Road been recorded, the effect on the financial statements is as follows:

	The Company	The Group
	$	$
Increase/(decrease) in:		
Income statement		
Profit for the financial year ended 31 January 2008	1,799	1,799
Balance sheet		
Retained profits as at 1 February 2007	395,992	395,992
Leasehold properties as at 1 February 2007	(295,559)	(295,559)
Leasehold properties as at 31 January 2008	(293,760)	(293,760)
Revaluation reserves	(691,551)	(691,551)

6 DEVELOPMENT LAND

	2008 $	2007 $
The Company and The Group		
Freehold land, at cost	-	8,152,935
Effect of adopting FRS 40 [Note 2(b)]	-	(8,152,935)
	-	-
Accumulated impairment loss		
Balance at beginning and end of year	-	(4,712,935)
Effect of adopting FRS 40 [Note 2(b)]	-	4,712,935
	-	-
	-	-

The land comprises land at Lot 13 to Lot 19 and Lot 117, all situated in Section 49, in the Town and District of Kuala Lumpur, Malaysia. Land has been reclassified to investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

7 SUBSIDIARIES

		2008 $	2007 $
The Company			
Unquoted equity investments, at cost		**11,972,138**	11,962,137
Impairment loss on investments in subsidiaries			
Balance at beginning of year		**(3,706,280)**	(3,706,280)
Allowance for the year		**(45,000)**	-
Balance at end of year		**(3,751,280)**	(3,706,280)
	(i)	**8,220,858**	8,255,857
Amounts owing by subsidiaries (non-trade):			
- interest-free		**68,593,497**	81,333,882
- interest-bearing		**3,430,308**	3,416,702
		72,023,805	84,750,584
Impairment loss on receivables		**(3,831,165)**	(3,831,165)
	(ii)	**68,192,640**	80,919,419
Total (i) and (ii)		**76,413,498**	89,175,276

Included in non-trade amounts owing are $64,162,392 (2007 - $71,714,182) owing by wholly-owned subsidiaries.

The non-trade amounts owing by subsidiaries, which are quasi-equity loans, represent extension of net investment in the subsidiaries, are unsecured and interest-free. There are no fixed terms of repayment and the settlements are neither planned nor likely to be settled in the foreseeable future. Accordingly, it is not practicable to determine the fair value of these amounts owing.

In respect of the interest-bearing amounts made to subsidiaries, interest is charged at the rate of 4.8% (2007 - 4.8%) per annum to two of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

7 SUBSIDIARIES (cont'd)

The subsidiaries are:

Name	Country of incorporation/ principal place of business	Cost of investments		Effective percentage of equity held		Principal activities
		2008 **$**	**2007** **$**	**2008** **%**	**2007** **%**	
Subsidiaries held by the Company						
CHIJMES Investment Pte Limited	Singapore	**5,210,092**	5,210,092	**100**	100	In liquidation
Kwan Hwee Investment Pte Ltd	Singapore	**3,230,000**	3,230,000	**100**	100	Investment holding
Low Keng Huat International Pte Ltd	Singapore	**3,000,000**	3,000,000	**100**	100	Investment holding
Quality Investments Pte Ltd	Singapore	**500,000**	500,000	**100**	100	Investment holding
Prodev Pte Ltd	Singapore	**10,000**	10,000	**100**	100	Investment holding
LKH (Saigon) Pte. Ltd.	Singapore	**10,000**	-	**100**	-	Not commenced operations yet
Bali Investment Pte. Ltd.	Singapore	**2**	2	**100**	100	Investment holding
Burnet Investments Pte Ltd	Singapore	**2**	2	**100**	100	In liquidation
Dalton Investment Pte. Ltd.	Singapore	**2**	2	**100**	100	Investment holding
Duxton Hotel (Pte.) Ltd.	Singapore	**1**	1	**100**	100	Hotel management services
Domitian Investment Pte. Ltd.	Singapore	**2**	2	**100**	100	Investment holding
Thyme Saigon Pte Ltd	Singapore	**2**	2	**100**	100	Investment holding
Vigor Investments Pte Ltd	Singapore	**2**	2	**100**	100	Investment holding
LKH (Overseas) Pte. Ltd.	Singapore	**2**	2	**100**	100	Not commenced operations yet
Starworth Pte. Ltd.	Singapore	**1**	-	**100**	-	Restaurant (transferred from a subsidiary to the Company on 1 May 2007)
Kendall Pte Ltd	Singapore	**750**	750	**75**	75	Investment holding
LKH (Cambodia) Ltd	Kingdom of Cambodia	**11,280**	11,280	***100**	*100	Dormant
Balance carried forward		**11,972,138**	11,962,137			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

7 SUBSIDIARIES (cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments 2008 $	Cost of investments 2007 $	Effective percentage of equity held 2008 %	Effective percentage of equity held 2007 %	Principal activities
	Balance brought forward		**11,972,138**	11,962,137			
	Subsidiary held by Bali Investment Pte. Ltd.						
#	Vista Mutiara Sdn Bhd	Malaysia	**+**	+	**100**	100	Investment holding
	Subsidiary held by CHIJMES Investment Pte Limited						
	Caldwell Arts Pte Ltd	Singapore	**+**	+	**100**	100	In liquidation
	Subsidiaries held by Starworth Pte. Ltd.						
	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	**+**	+	**100**	100	Restaurant
	Upper Club Pte. Ltd.	Singapore	**+**	+	**100**	100	Restaurant
	Subsidiary held by Dalton Investment Pte. Ltd.						
**	Vinametric Limited	Socialist Republic of Vietnam	**+**	+	**100**	100	Hotel owner and operator
	Subsidiaries held by Duxton Hotel (Pte.) Ltd						
^	Duxton Hotels International Pty Ltd	Australia	**+**	+	**100**	100	Owner of trademark
	L'Aigle d'Or Investment Pte. Ltd.	Singapore	**+**	+	**100**	100	Dormant
	Subsidiary held by Kendall Pte Ltd						
^	Amuret Pty Ltd	Australia	**+**	+	**75**	75	Investment holding
	Balance carried forward		**11,972,138**	11,962,137			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

7 SUBSIDIARIES (cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments 2008 $	Cost of investments 2007 $	Effective percentage of equity held 2008 %	Effective percentage of equity held 2007 %	Principal activities
	Balance brought forward		**11,972,138**	11,962,137			
	Subsidiaries held by Low Keng Huat International Pte Ltd						
^	Narymal Pty Ltd	Australia	**+**	+	**75**	75	Hotel management
^^	Shanghai Nova Realty Development Co., Ltd	People's Republic of China	**+**	+	**63**	63	Investment holding
^^	Shanghai Xinfeng Realty Development Co., Ltd	People's Republic of China	**+**	+	**60**	60	Property development
^	Teamword Pty Limited	Australia	**+**	+	**100**	100	Hotel management (inactive since February 2004)
	Pyline Pte Ltd	Singapore	**+**	+	**75**	75	Investment holding
^	Barscape Pty Ltd	Australia	**+**	+	**-**	75	Liquidated
^	Covemint Pty Ltd	Australia	**+**	+	**-**	75	Liquidated
	Subsidiary held by Quality Investments Pte Ltd						
	Herman Investments Pte Ltd	Singapore	**+**	+	**100**	100	Investment holding
	Subsidiary held by Vigor Investments Pte Ltd						
^	Coachfirm Pty Limited	Australia	**+**	+	**100**	100	Investment holding (inactive since February 2004)
			11,972,138	11,962,137			

* Includes deemed interest

\# Audited by Ernst & Young, Malaysia

** Audited by PricewaterhouseCoopers (Vietnam) Ltd, Socialist Republic of Vietnam

^ Audited by PricewaterhouseCoopers, Australia

^^ Audited by BDO Shanghai Zhonghua CPA, People's Republic of China

\+ Interest held through subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

8 ASSOCIATED COMPANIES

	The Company		The Group	
	2008 **$**	**2007** **$**	**2008** **$**	**2007** **$**
Unquoted equity investments, at cost	**12,897,848**	17,822,061	**18,207,872**	23,162,084
Share of post-acquisition profits	**26,352,104**	12,607,943	**28,413,345**	13,587,258
Share of other post-acquisition reserves	**-**	(424)	**204,662**	174,249
	26,352,104	12,607,519	**28,618,007**	13,761,507
Amount owing by associated companies (non-trade)				
- advances	**51,185,840**	-	**52,728,817**	1,702,435
- loans - interest-free	**11,517,159**	945,867	**16,349,830**	3,930,230
- interest-bearing	**43,860,651**	63,111,747	**43,860,651**	63,111,747
	106,563,650	64,057,614	**112,939,298**	68,744,412
Impairment loss on receivables				
Balance at beginning of year	**-**	-	**504,097**	504,097
Amount written off during the year	**-**	-	**(504,097)**	-
Balance at end of year	**-**	-	**-**	504,097
	106,563,650	64,057,614	**112,939,298**	68,240,315
	145,813,602	94,487,194	**159,765,177**	105,163,906

The summarised information of associated companies is as follows:

	The Company		The Group	
	2008 **$**	**2007** **$**	**2008** **$**	**2007** **$**
- Assets	**570,352,891**	476,371,466	**599,953,382**	498,802,921
- Liabilities	**418,162,973**	374,144,150	**426,865,569**	382,846,746
- Revenue	**214,577,593**	164,564,273	**214,896,509**	164,564,273
- Net profit after taxation	**58,647,633**	24,469,959	**60,810,806**	24,515,111
Share of associated companies' commitments	**21,840,000**	21,840,000	**21,840,000**	21,840,000

The non-trade advances and loans owing by associated companies represent an extension of net investment in the associated companies, are unsecured and interest-free. There are no fixed terms of repayment and the settlements are neither planned nor likely to be settled in the foreseeable future. Accordingly, it is not practicable to determine these amounts owing.

In respect of the interest-bearing loans made to associated companies, interest is charged at rates which vary from 2.5% to 3.0% (2007 - 2.5% to 3.0%) per annum. In the opinion of the directors of the Company, the interest rates are carried at commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

8 ASSOCIATED COMPANIES (cont'd)

During the financial year ended 31 January 2008, the dividends received by the Company and the Group from the associated companies amounted to $1,500,000 (2007 - $2,500,000) and $1,500,000 (2007 - $4,872,155) respectively.

During the financial year ended 31 January 2008, the Company derecognised one of its associated companies carrying the cost of investment of $30,000. This associated company has been placed under liquidation.

The associated companies are:

	Name	Country of incorporation	Effective percentage of equity held		Principal activities
			2008 %	**2007 %**	
#	Kings & Queens Development Pte. Ltd.	Singapore	**30**	30	Develop three adjoining parcels of land at Kim Tian Road and the redevelopment of the former Eng Cheong along North Bridge Road
#	Regency One Development Pte. Ltd.	Singapore	**20**	20	Develop a parcel of land at Kim Tian Road
#	Valley Development Pte. Ltd.	Singapore	**40**	40	Develop two adjoining parcels of land at Delta Road
*	Vista Development Pte. Ltd.	Singapore	**20**	20	Develop a parcel of land at one-north Gateway
#	Duchess Walk Pte. Ltd.	Singapore	**30**	30	Develop a parcel of land at Duchess Avenue
*	Peak Garden Pte. Ltd	Singapore	**40**	40	Develop a parcel of land at Hougang Street 11
*	Karington Holdings Pte Ltd	Singapore	**50**	50	Investment holding
**	AOI Chengdu Pte Ltd	Singapore	**-**	30	In liquidation
^^	Binakawa Sdn. Bhd.	Malaysia	**49**	49	Property development and investment holding
++	Bina Meganmas Sdn. Bhd.	Malaysia	**49**	49	Property development
##	Promatik Emas Sdn. Bhd.	Malaysia	**25**	25	Property development
##	Suasana Simfoni Sdn. Bhd.	Malaysia	**20**	-	Property development
#	Tampines Condominium Pte Ltd	Singapore	**-**	30	Liquidated

Audited by PricewaterhouseCoopers, Singapore

* Audited by KPMG

** Audited by Baker Tilly TFWLCL

^^ Audited by Ernst & Young, Malaysia

Audited by PricewaterhouseCoopers, Malaysia

++ Audited by Ernst & Young, Malaysia
(Appointed on 25 January 2008)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

9 JOINT VENTURES

	2008 $	2007 $
The Company and the Group		
Contributions made towards joint venture:		
Joint venture with Shun Shing Construction & Engineering Company Limited	**300,000**	300,000
Share of retained profits/(accumulated losses) in joint ventures with:		
- Shun Shing Construction & Engineering Company Limited	**589,378**	589,378
- Contracting & Trading Company "C.A.T." Lebanon sal	**(1,750,520)**	(1,510,369)
- Exchange fluctuation difference	**188,521**	67,160
	(972,621)	(853,831)
Advances made to a joint venture:		
LKH - C.A.T. Joint Venture	**1,570,800**	1,570,800
Exchange fluctuation difference	**(122,400)**	-
	1,448,400	1,570,800
	775,779	1,016,969

The non-trade advances made to a joint venture represent an extension of net investment in the joint venture, is unsecured and interest-free. There are no fixed terms of repayment and the settlements are neither planned nor likely to be settled in the foreseeable future. Accordingly, it is not practicable to determine this amount owing.

Details of the joint ventures are as follows:

Name	Percentage of interest 2008 %	2007 %	Principal activities
Low Keng Huat - Shun Shing JV	**50**	50	Design and build HDB flats at Jurong West Neighbourhood 6
LKH - C.A.T. Joint Venture	***51**	*51	Build two condominium towers in Beirut, Lebanon

* This joint venture is a jointly-controlled operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

9 JOINT VENTURES (cont'd)

The summarised information of joint ventures is as follows:

	2008 $	2007 $
The Company and the Group		
- Assets	**10,573,074**	11,169,098
- Liabilities	**8,390,532**	6,726,706
- Revenue	**1,779,615**	25,858,999
- Operating expenses	**4,054,253**	24,192,313

10 INVESTMENTS

		The Company		The Group	
		2008 $	2007 $	2008 $	2007 $
Available-for-sale financial assets					
- quoted equity investments		**2,231,043**	2,221,645	**8,434,091**	6,280,247
Net fair value gain recognised in equity		**764,949**	575,339	**4,982,700**	7,764,681
At fair value	(i)	**2,995,992**	2,796,984	**13,416,791**	14,044,928
Market value of quoted equity investments		**2,995,992**	2,796,984	**13,416,791**	14,044,928
Available-for-sale financial assets					
- unquoted equity investments, at cost		**-**	-	**3,232,297**	3,232,297
Less:					
Impairment loss					
Balance at beginning of year		**-**	-	**2,559,310**	2,559,310
Allowance for the year		**-**	-	**545,771**	-
Balance at end of year		**-**	-	**3,105,081**	2,559,310
	(ii)	**-**	-	**127,216**	672,987
Total (i) + (ii)		**2,995,992**	2,796,984	**13,544,007**	14,717,915

The fair value of quoted equity investments is determined by reference to stock exchange quoted closing prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

10 INVESTMENTS (cont'd)

The Group

Available-for-sale financial assets at cost -

(ii) (a) Two subsidiaries hold an interest of 21.7% and 40% in unquoted equity investments, Nihon Building Services Pte Ltd ("Nihon") and Goldford Engineering Limited ("Goldford") respectively. These companies are not similar in nature and size to any quoted entities. There is also no active market for the equity interest. However, the directors do not anticipate that the carrying amount of the unquoted equity investments will be significantly in excess of its fair value other than Goldford where an impairment of $825,310 (2007 - $825,310) was made on this investment. In addition, retained earnings of $1,502,141 was written off from associated company in FY2007.

Provision for impairment loss of $545,771 (2007 - NIL) was made for Nihon.

(b) Another subsidiary has investment of $1,734,000 (2007 - $1,734,000) in an unquoted company, which is incorporated in Australia. This company is not similar in nature and size to any quoted entities. There is also no active market for the equity interest. As the directors of the Company are of the opinion that the cost of the investment cannot be recovered, an impairment loss for the full amount was made.

11 (DEFERRED TAX ASSETS)/DEFERRED TAX LIABILITIES

	The Company		The Group	
	2008 $	**2007 $**	**2008 $**	**2007 $**
(i) Deferred tax assets				
Balance at beginning of year	**-**	-	**(129,400)**	(102,300)
Transfer from/(to) income statement (Note 29)	**-**	-	**119,000**	(32,152)
Exchange fluctuation difference	**-**	-	**10,400**	5,052
Balance at end of year	**-**	-	**-**	(129,400)
(ii) Deferred tax liabilities				
Balance at beginning of year	**617,000**	706,000	**536,340**	9,312,515
On acquisition of a former associated company, now a subsidiary	**-**	-	**-**	27,000
Settlement of deferred tax	**-**	-	**-**	(8,035,651)
Transfer to income statement (Note 29)				
- current year	**(23,000)**	(18,000)	**(32,000)**	(258,543)
- over provision in respect of prior years	**-**	-	**-**	(95,893)
	(23,000)	(18,000)	**(32,000)**	(354,436)
Change in tax rate (Note 29)	**-**	(71,000)	-	(71,000)
Exchange fluctuation difference	**-**	-	**(36,752)**	(342,088)
Balance at end of year	**594,000**	617,000	**467,588**	536,340

The Group

During the financial year ended 31 January 2007, two subsidiaries, Kendall Pte Ltd and Pyline Pte Ltd settled their tax liabilities in Australia totalling $8,035,651 (A$6,691,722).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

11 (DEFERRED TAX ASSETS)/DEFERRED TAX LIABILITIES (cont'd)

	Tax losses	Total
	$	$
The Group		
At 1 February 2007	(129,400)	(129,400)
Charged to income statement	119,000	119,000
Exchange fluctuation difference	10,400	10,400
At 31 January 2008	**-**	**-**

	Excess of net book value over tax written down value of property, plant and equipment	Dividends and interest income not remitted	Others	Total
	$	$	$	$
The Company				
At 1 February 2007	47,000	570,000	-	617,000
Credited to income statement	(23,000)	-	-	(23,000)
At 31 January 2008	**24,000**	**570,000**	**-**	**594,000**
The Group				
At 1 February 2007	86,167	584,000	(133,827)	536,340
Credited to income statement	(32,000)	-	-	(32,000)
Exchange fluctuation difference	-	-	(36,752)	(36,752)
At 31 January 2008	**54,167**	**584,000**	**(170,579)**	**467,588**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

12 INVENTORIES

	2008 $	2007 $
The Group		
At cost,		
Hotel supplies	**183,695**	164,614
Restaurant supplies	**352,087**	298,608
	535,782	463,222

The inventories charged to cost of sales relate only to hotel operations and restaurants for food and beverage sales of which the cost of goods is approximately $7,350,000 (2007 - $6,334,000).

13 WORK-IN-PROGRESS

	The Company		The Group	
	2008 $	2007 $	2008 $	2007 $
Construction costs	**52,060,913**	105,639,142	**65,892,694**	119,470,923
Attributable (losses)/profits	**(6,425,685)**	477,277	**(2,465,965)**	4,436,997
	45,635,228	106,116,419	**63,426,729**	123,907,920
Progress billings received and receivable	**(33,200,240)**	(92,165,621)	**(50,128,903)**	(109,094,284)
	12,434,988	13,950,798	**13,297,826**	14,813,636

	The Company		The Group	
	2008 $	2007 $	2008 $	2007 $
Included in construction costs are:				
Depreciation of property, plant and equipment (Note 5)				
- current year	**95,365**	73,316	**95,365**	73,316
- overprovision in respect of prior years	**-**	(165,751)	**-**	(165,751)
	95,365	(92,435)	**95,365**	(92,435)
Director's remuneration	**736,198**	395,295	**736,198**	395,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

14 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2008	2007	**2008**	2007
	$	$	**$**	$
Trade receivables				
- external	**3,970,802**	5,486,547	**6,944,330**	7,640,857
- associated companies	**6,573,860**	6,379,756	**6,573,860**	6,379,756
	10,544,662	11,866,303	**13,518,190**	14,020,613
Impairment loss on trade receivables				
Balance at beginning of year	**212,384**	212,384	**217,584**	327,816
Allowance for the year	**-**	-	**22,903**	8,557
Allowance no longer required	**-**	-	**-**	(108,019)
Allowance written off	**-**	-	**(14,592)**	(7,139)
Exchange translation difference	**-**	-	**-**	(3,631)
Balance at end of year	**212,384**	212,384	**225,895**	217,584
Net trade receivables	**10,332,278**	11,653,919	**13,292,295**	13,803,029
Staff loans	**205,721**	231,518	**207,993**	236,517
Advances to a third party	**134,143**	134,143	**134,143**	134,143
Money withheld by a third party	**-**	-	**2,038,152**	-
Deposits	**275,709**	271,472	**403,190**	358,137
Prepayments	**-**	-	**1,191,337**	757,309
Recoverable expenses	**162,573**	128,502	**175,967**	138,578
Tax recoverable	**54,761**	50,000	**524,659**	50,000
Sundry debtors	**11,144**	7,298	**378,887**	463,907
	844,051	822,933	**5,054,328**	2,138,591
Impairment loss on other receivables				
Balance at beginning of year	**178,199**	178,199	**215,391**	178,199
Allowance for the year	**-**	-	**-**	37,192
Allowance no longer required	**-**	-	**(6,369)**	-
Allowance written off	**-**	-	**(24,431)**	-
Balance at end of year	**178,199**	178,199	**184,591**	215,391
Net other receivables	**665,852**	644,734	**4,869,737**	1,923,200
	10,998,130	12,298,653	**18,162,032**	15,726,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

14 TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2008 **$**	2007 $	**2008** **$**	2007 $
Singapore dollar	**10,998,130**	12,298,653	**11,654,387**	12,751,924
United States dollar	**-**	-	**3,537,375**	723,452
Australia dollar	**-**	-	**2,617,150**	1,792,305
Chinese Renminbi	**-**	-	**344,023**	341,790
Malaysia Ringgit	**-**	-	**9,097**	116,758
	10,998,130	12,298,653	**18,162,032**	15,726,229

The Company and The Group

All trade and other receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days. However, the Company and the Group do not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers. The trade receivables, including associated companies, include retention money of $9,322,206 (2007 - $11,483,292) owing from construction work.

Impairment on trade receivables is made on specific debt for which the directors of the Group are of the opinion that debts are not recoverable.

The trade receivables ageing averages 30 to 90 (2007 - 30 to 90) days, excluding the retention money withheld.

The staff loans are unsecured and interest-free. The maturity date of these staff loans is within 12 months from the balance sheet date.

The advances made to a third party are unsecured, interest-free and are repayable on demand.

The money withheld by a third party is expected to be recoverable within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

15 ADVANCES MADE TO INVESTEE COMPANIES

	The Company		The Group	
	2008 $	2007 $	2008 $	2007 $
Advances made to investee companies	**389,020**	393,020	**753,020**	793,020
Impairment loss				
Balance at beginning of year	**(393,020)**	(438,080)	**(793,020)**	(858,080)
Allowance no longer required	**4,000**	45,060	**40,000**	65,060
Balance at end of year	**(389,020)**	(393,020)	**(753,020)**	(793,020)
	-	-	**-**	-

The advances made to investee companies in which the Group has an interest, are unsecured, interest-free and are repayable on demand. The impairment loss has been made as there is no indication that these debts are recoverable.

16 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2008 $	2007 $	2008 $	2007 $
Fixed deposits	**-**	-	**15,057,496**	14,816,172
Cash and bank balances	**317,492**	864,736	**12,185,737**	15,992,331
	317,492	864,736	**27,243,233**	30,808,503

The fixed deposits mature within three months from the balance sheet date and earn interest at an effective interest rate of 6.1% (2007 - 5.6%) per annum.

Cash and cash equivalents are denominated in the following currencies:

Singapore dollar	**62,405**	659,087	**1,600,129**	4,898,710
United States dollar	**4,929**	1,116	**5,540,262**	4,490,478
Australia dollar	**7,864**	960	**12,604,191**	13,956,559
Malaysia Ringgit	**242,294**	203,573	**1,035,676**	433,134
Chinese Renminbi	**-**	-	**6,462,975**	7,029,622
	317,492	864,736	**27,243,233**	30,808,503

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

17 SHARE CAPITAL

	Number of shares		Amount	
	2008	**2007**	**2008 $**	**2007 $**
The Company and The Group				
Issued and fully paid ordinary shares				
Balance at beginning of year	**123,136,000**	122,936,000	**71,276,937**	71,176,937
Shares issued in pursuant to Rights Issue	**246,272,000**	-	**90,874,368**	-
Rights Issue expenses	**-**	-	**(288,044)**	-
Share options exercised	**-**	200,000	**-**	100,000
Balance at end of year	**369,408,000**	123,136,000	**161,863,261**	71,276,937

During the financial year ended 31 January 2008, there is a completion of Rights Issue of new shares on the basis of two shares for every one existing share held by shareholders at a subscription price of $0.369 per share. A total of 246,272,000 shares were allotted, listed and quoted on the official list of the Singapore Exchange Securities Trading Limited on 9 July 2007 for the Rights Issue.

The rationale for the Rights Issue was to strengthen the capital base of the Company where the Company's Section 44A tax credits were passed to the shareholders of the Company.

During the financial year ended 31 January 2007, outstanding stock options of 200,000 were exercised. There were no stock options granted during the financial year ended 31 January 2008 and there were no outstanding stock options as at 31 January 2008.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

18 RESERVES

	The Company		The Group	
	2008 **$**	2007 $	**2008** **$**	2007 $
(a) Fair value reserves				
Balance at beginning of year	**575,339**	21,853	**7,764,681**	2,420,174
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	**-**	(21,853)	**(158,798)**	(21,853)
Net fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	**189,610**	575,339	**(2,623,183)**	5,366,360
Balance at end of year	**764,949**	575,339	**4,982,700**	7,764,681
(b) Profit on disposal of properties				
Balance at beginning of year	**-**	7,158,361	**-**	27,501,585
Transfer to retained profits	**-**	(7,158,361)	**-**	(27,501,585)
Balance at end of year	**-**	-	**-**	-
(c) Profit on disposal of unquoted equity investments				
Balance at beginning of year	**-**	6,265,449	**-**	7,559,658
Transfer to retained profits	**-**	(6,265,449)	**-**	(7,559,658)
Balance at end of year	**-**	-	**-**	-
(d) Profit on disposal of quoted equity investments				
Balance at beginning of year	**-**	37,500	**-**	37,500
Transfer to retained profits	**-**	(37,500)	**-**	(37,500)
Balance at end of year	**-**	-	**-**	-
(e) Revaluation reserves				
Balance at beginning of year	**-**	-	**-**	325,548
Effect of adopting FRS 40	**-**	-	**-**	(325,548)
Balance at end of year	**-**	-	**-**	-
Total non-distributable reserves	**764,949**	575,339	**4,982,700**	7,764,681

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

19 RETAINED PROFITS

	The Company		The Group	
	2008 $	**2007 $**	**2008 $**	**2007 $**
The Company	**85,649,404**	102,575,948	**85,649,404**	102,575,948
Subsidiaries	**-**	-	**6,735,757**	(9,051,486)
Associated companies	**26,352,104**	12,607,943	**28,413,345**	13,587,258
	112,001,508	115,183,891	**120,798,506**	107,111,720
Rights Issue	**(93,398,656)**	-	**(93,398,656)**	-
	18,602,852	115,183,891	**27,399,850**	107,111,720

20 EXCHANGE FLUCTUATION ACCOUNT

	2008 $	**2007 $**
The Group		
Exchange translation differences		
Balance at beginning of year	**4,407,213**	5,870,356
Adjustments made during the year	**210,378**	(1,463,143)
Balance at end of year	**4,617,591**	4,407,213

The exchange fluctuation account relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries and associated companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

21 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2008 **$**	**2007** **$**	**2008** **$**	**2007** **$**
Trade payables	**10,734,117**	15,158,168	**22,468,956**	25,378,993
Deposits received from third parties	**46,419**	46,419	**473,418**	575,014
Less: Due after one year	**-**	-	**(355,000)**	(385,000)
Due within one year	**46,419**	46,419	**118,418**	190,014
Advances from third parties	**-**	-	**-**	371,103
Rental received in advance	**-**	-	**15,765**	19,452
Sundry payables	**167,218**	158,548	**986,303**	759,110
	213,637	204,967	**1,120,486**	1,339,679
	10,947,754	15,363,135	**23,589,442**	26,718,672

Trade and other payables are denominated in the following currencies:

Singapore dollar	**10,947,754**	15,363,135	**12,364,303**	16,744,315
United States dollar	**-**	-	**9,451,964**	7,902,648
Australia dollar	**-**	-	**1,578,838**	1,834,742
Malaysia Ringgit	**-**	-	**42,341**	56,878
Chinese Renminbi	**-**	-	**151,996**	180,089
	10,947,754	15,363,135	**23,589,442**	26,718,672

The fair value of trade and other payables have not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheets to be reasonable approximation of their fair values. The ageing of trade payables approximates 30 to 90 (2007 - 30 to 90) days.

The advances from third parties of the Group are unsecured, interest-free and are repayable on demand.

22 AMOUNTS OWING TO SUBSIDIARIES (NON-TRADE)

The Company

The non-trade amounts of $12,787,524 (2007 - $8,110,246) owing to subsidiaries represent advances made, which are quasi-equity loans from Group's perspective, are unsecured and interest-free. Accordingly, it is not practicable to determine the fair values of these amounts owing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

23 ADVANCES RECEIVED FROM A JOINT VENTURE

The Company and the Group

The advances of $850,000 (2007 - $850,000) are unsecured and interest-free. The settlement of debt is by way of capital return upon dissolution of the joint venture. Accordingly, it is not practicable to determine the fair values of these amounts owing.

24 AMOUNTS OWING TO A MINORITY SHAREHOLDER OF SUBSIDIARIES (NON-TRADE)

The Group

The non-trade amount of $4,530,219 (2007 - $5,885,040) owing to a minority shareholder of subsidiaries, representing a quasi-equity loan, is interest-free and has no fixed terms of repayment. Accordingly, it is not practicable to determine the fair value of this amount owing.

25 BANK BORROWINGS

		The Company		The Group	
	Note	2008 $	2007 $	2008 $	2007 $
Revolving credit					
- short-term	a	**11,500,000**	5,450,000	**11,500,000**	5,450,000
Short-term loan					
- #1	b	**8,000,000**	8,000,000	**8,000,000**	8,000,000
Advance facility	c	**49,904,000**	20,000,000	**49,904,000**	20,000,000
Bank overdrafts		**5,808,143**	1,426,300	**5,808,143**	1,426,300
Accrued interest		**61,274**	87,935	**61,274**	87,935
		75,273,417	34,964,235	**75,273,417**	34,964,235
Amount repayable:					
Not later than one year		**75,273,417**	34,964,235	**75,273,417**	34,964,235
Later than one year					
and not later than five years		**-**	-	**-**	-
Later than five years		**-**	-	**-**	-
		75,273,417	34,964,235	**75,273,417**	34,964,235

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

25 BANK BORROWINGS (cont'd)

Bank borrowings are denominated in the following currency:

	The Company		The Group	
	2008 **$**	2007 $	**2008** **$**	2007 $
Singapore dollar	**75,273,417**	34,964,235	**75,273,417**	34,964,235

The carrying amounts of the bank borrowings approximate the fair value as the interest rates are determined by the prevailing market interest rates.

(a) The revolving credit facility (unsecured) of $11,500,000 granted to the Company, is repayable in six tranches of which $8,000,000 is repayable between 4 February 2008 and 29 February 2008 and $3,500,000 is repayable on 3 March 2008. Interest is charged between 2.50% and 2.94% per annum.

Subsequent to the balance sheet date, these debts have been rolled over upon maturity and are repayable in March 2008 and April 2008. Interest is charged between 2.25% and 2.70% per annum.

(b) The short-term loan facility (unsecured) of $8,000,000 granted to the Company is repayable on 14 February 2008. Interest is charged at 2.30% per annum.

Subsequent to the balance sheet date, this debt has been rolled over upon maturity and is repayable on 14 March 2008. Interest is charged at 2.35% per annum.

(c) The specific advance facility (unsecured) of $60,000,000 granted to the Company, is repayable in two tranches of $9,628,000 and $40,276,000 on 11 February 2008 and 25 February 2008 respectively. On 25 February 2008, a sum of $6,276,000 has been repaid. Interest is charged at 2.85% and 2.59% respectively.

Subsequent to the balance sheet date, the remaining debts of $43,628,000 has been rolled over upon maturity and are repayable in March 2008. Interest is charged between 2.60% and 2.72% per annum.

The Group has unutilised bank facilities of $71,977,000 (2007 - $76,888,000) as at 31 January 2008.

The effective interest rate for the Group's bank loans is 3.85% (2007 - 4.80%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

26 AMOUNT OWING TO HOLDING COMPANY (NON-TRADE)

The Group

The non-trade amount owing to holding company, General Corporation Berhad, refers to unsecured disbursements made on behalf, which are interest-free and are repayable on demand.

27(a) OTHER OPERATING INCOME

	2008 $	2007 $
The Group		
Dividend income from		
- quoted equity investments	**119,465**	787
- an unquoted equity investment	**78,120**	-
Fair value gains on available-for-sale financial assets recycled to income statement on derecognition	**158,798**	21,853
Gain on disposal of		
- quoted equity investments	**67,060**	78,689
- investment properties	**94,345**	44,006
Capital (deficit)/return from liquidation of		
- a subsidiary	**(9,736)**	-
- an associated company	**-**	24,564
Interest income		
- banks	**1,055,502**	936,102
- fixed deposits	**15,620**	134,000
- associated companies	**1,349,925**	1,301,019
- others	**7,881**	-
	2,428,928	2,371,121
Rental income		
- investment propertes	**335,118**	264,789
- others	**1,040,860**	-
Sundry income	**271,705**	142,662
Concessionary income from gaming centre	**5,356,378**	-
	9,941,041	2,948,471

The concessionary income from gaming centre relates to income derived from the granting of gaming license to the operators at Duxton Hotel Saigon, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

27(b) OTHER OPERATING EXPENSES

	2008 $	2007 $
The Group		
Exchange (gain)/loss	**(751,227)**	1,630,255
Impairment loss on unquoted equity investments	**545,771**	1,502,141
Hotel maintenance and utilities	**2,072,423**	1,122,798
Others	**135,332**	6,426,339
	2,002,299	10,681,533

27(c) FINANCE COSTS

	2008 $	2007 $
The Group		
Interest expense		
- bank loans	**1,139,787**	860,788
- bank overdrafts	**14,950**	15,685
	1,154,737	876,473

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

28 PROFIT BEFORE TAXATION

	Note	2008 $	2007 $
The Group			
Profit before taxation has been arrived at after charging/(crediting):			
Auditors' remuneration			
- non-audit fee			
- auditors of the Company			
- current year		**67,641**	89,180
- under/(over) provision in respect of prior years		**37,485**	(619)
- other auditors		**61,788**	612
Bad debts written off (trade)		**-**	53,983
Depreciation of investment properties	4	**175,633**	159,470
Depreciation of property, plant and equipment	5	**4,674,544**	4,338,458
Exchange (gain)/loss	27(b)	**(751,227)**	1,630,255
Goodwill written off		**-**	65,129
Operating lease rentals		**2,752,532**	2,183,540
Property, plant and equipment written off		**-**	243
Impairment on receivables		**22,903**	304,548
Impairment loss on unquoted equity investments	27(b)	**545,771**	1,502,141
Loss/(gain) on disposal of:			
- an associated company		**-**	126,740
- property, plant and equipment		**140,689**	(18,628)
Employee benefit costs:			
Directors			
- directors of the Company		**3,620,329**	3,260,182
- CPF contributions and other equivalent contributions		**23,635**	28,092
Key management personnel (other than directors)			
- salaries, wages and other related costs		**1,170,619**	562,952
- CPF contributions and other equivalent contributions		**62,815**	20,446
Other than directors and key management personnel			
- salaries, wages and other related costs		**20,269,986**	12,782,158
- CPF contributions and other equivalent contributions		**1,460,502**	326,882
		26,607,886	16,980,712

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

29 TAXATION

	2008 $	2007 $
The Group		
Current taxation		
- Singapore	**3,705,571**	3,142,424
- Tax deducted at source	**28,727**	90,155
- Foreign	**1,017,860**	615,709
	4,752,158	3,848,288
Deferred taxation (Note 11)		
- Charged/(credited) to income statement	**87,000**	(290,695)
	4,839,158	3,557,593
Utilisation of unabsorbed capital allowances and tax losses brought forward	**(272,350)**	(1,292,791)
Tax expense	**4,566,808**	2,264,802
(Over)/under provision in respect of prior years		
- current taxation	**(151,282)**	548,824
- deferred taxation (Note 11)	**-**	(95,893)
Change in tax rate (Note 11)	**-**	(71,000)
	4,415,526	2,646,733

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the statutory rate of income tax on Group's profit as a result of the following:

	2008 $	2007 $
Profit before taxation	**19,845,157**	17,180,342
Share of losses of joint ventures	**240,151**	-
Share of associated companies' profits	**(16,368,484)**	(7,918,870)
	3,716,824	9,261,472
Tax at statutory rate of 18%	**669,000**	1,667,000
Tax effect on non-deductible expenses	**1,571,000**	2,237,000
Tax effect on non-taxable income	**(2,880,000)**	(2,217,000)
Tax effect on deferred tax assets not recognised	**3,063,000**	292,000
Utilisation of deferred tax assets on temporary differences not recognised in previous years	**(272,000)**	(1,293,000)
Foreign tax	**1,007,000**	577,000
Singapore statutory stepped income exemption	**(91,000)**	(9,000)
Differences in foreign tax rates	**1,500,000**	1,011,000
	4,567,000	2,265,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

29 TAXATION (cont'd)

The Company

The Company has unabsorbed capital allowances and unutilised tax losses amounting to approximately $3,000 (2007 - $65,000) and $22,751,000 (2007 - $9,636,000) respectively which are subject to agreement with the respective tax authorities.

These unabsorbed capital allowances and tax losses can be carried forward for offsetting against future taxable income provided that the respective country's tax legislations are complied with.

Unutilised tax benefits of $4,096,000 (2007 - $1,746,000) arising from these unabsorbed capital allowances and tax losses have not been recognised since there is no reasonable certainty of their realisation in future periods.

The Group

The Group has unabsorbed capital allowances and unutilised tax losses amounting to approximately $157,000 (2007 - $224,000) and $24,500,000 (2007 - $12,633,000) respectively which are subject to agreement with the respective tax authorities.

These unabsorbed capital allowances and tax losses can be carried forward for offsetting against future taxable income provided that the respective country's tax legislations are complied with.

Unutilised tax benefits of $4,612,000 (2007 - $2,572,000) arising from these unabsorbed capital allowances and tax losses have not been recognised since there is no reasonable certainty of their realisation in future periods.

30 EARNINGS PER SHARE

The calculation of earnings per share is based on the following consolidated profit:

	2008 $	2007 $
The Group		
Profit after taxation	**13,686,786**	13,133,205

The earnings per share of 4.17 cents (2007 - 4.21 cents) is calculated based on the weighted average number of shares in issue of 328,362,667 (2007 - 312,193,293) ordinary shares during the financial year ended 31 January 2008.

The fully diluted earnings per share of 4.17 cents (2007 - 4.21 cents) is calculated based on the weighted average number of shares in issue of 328,362,667 (2007 - 312,193,293) ordinary shares during the financial year ended 31 January 2008.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

31 CONTINGENT LIABILITIES (UNSECURED)

The following are unsecured contingent liabilities not provided for in the financial statements:

The Company

(a) The Company has given letters of undertaking to provide financial support for the following subsidiaries which had total net deficits at 31 January 2008 of $12.8 million (2007 - $23.6 million) to enable them to continue to operate as going concerns and to meet their respective obligations as and when they fall due:

Amuret Pty Ltd
Bali Investment Pte. Ltd.
Caldwell Arts Pte Ltd
Carnivore Brazilian Churrascaria Pte. Ltd.
Dalton Investment Pte. Ltd.
Domitian Investment Pte. Ltd.
Duxton Hotel (Pte.) Ltd.
Herman Investments Pte Ltd
Kendall Pte Ltd
Kwan Hwee Investment Pte Ltd
LKH (Overseas) Pte. Ltd.
Low Keng Huat International Pte Ltd
Prodev Pte Ltd
Pyline Pte Ltd
Quality Investments Pte Ltd
Teamword Pty Limited
Thyme Saigon Pte Ltd
Upper Club Pte. Ltd.
Vinametric Limited

(b) A guarantee of US$6,900,000 (S$9,798,000) [2007 - US$6,900,000 (S$10,626,000)] in favour of a bank in respect of the said bank granting a credit facility to a joint venture for a construction project carried out in Beirut, Lebanon;

(c) A guarantee provided to a bank for loan facility of US$2,250,000 (S$3,195,000) [2007 - US$2,250,000 (S$3,465,000)] granted to a subsidiary; and

(d) A guarantee of $21,840,000 (2007 - $21,840,000) proportionate to the Company's shareholding, in favour of a bank in respect of the said bank granting a credit facility to an associated company for development project.

In respect of items (b) to (d), there is no effect on the financial guarantees as to the interest cost as the variable interest rate debt obligations are at prevailing market interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

32 RELATED PARTY TRANSACTIONS

The Company and The Group

Other than the related party information disclosed elsewhere in the financial statements, the following are significant transactions entered between the Company and its related parties at mutually agreed amounts:

	2008 $	2007 $
Between the Company and related parties		
Sales to associated companies	**39,305,662**	34,314,558
Interest income from associated companies	**1,349,925**	1,301,019
Insurance cost charged by a company deemed to be owned by certain directors of the Company	**64,635**	497,325

33 DIVIDENDS

	2008 $	2007 $
The Company and The Group		
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 2.5 cents (2007 - 2.5 cents) per share, tax exempt (2007 - 18%)	**9,235,200**	2,524,288
- Special dividends:		
Dividend of Nil (2007 - 90.0 cents) per share less tax of 18%	**-**	90,874,368
	9,235,200	93,398,656
Dividends paid		
- Ordinary dividends:		
First and final dividend of 2.5 cents (2007 - 2.5 cents) per share less tax of 18% paid in financial year ended 31 January 2008 in respect of the financial year ended 31 January 2007	**2,524,288**	2,458,720
- Special dividends:		
Dividend of 90.0 cents (2007 - 5.0 cents) per share less tax of 18% paid in financial year ended 31 January 2008 in respect of the financial year ended 31 January 2007	**90,874,368**	4,917,440
	93,398,656	7,376,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

34 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE)

The Company and The Group

(a) Rental expense of the Company and the Group for the financial year ended 31 January 2008 amounted to $109,491 (2007 - $109,267) and $2,752,532 (2007 - $2,183,540) respectively. At the balance sheet date, the Company and the Group were committed to making payments in respect of rental of premises and office equipment with contractual terms ranging from 4 years to 50 years as follows:

	The Company		The Group	
	2008 **$**	**2007** **$**	**2008** **$**	**2007** **$**
Not later than one year	**108,232**	108,232	**2,128,724**	2,419,783
Later than one year and not later than five years	**432,929**	432,929	**2,698,665**	4,805,973
Later than five years	**1,298,788**	1,407,020	**2,745,293**	2,522,417

(b) The Company and the Group lease out a portion of their warehouse and office units to non-related parties under non-cancellable operating lease.

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

	The Company		The Group	
	2008 **$**	**2007** **$**	**2008** **$**	**2007** **$**
Not later than one year	**4,620**	4,620	**187,418**	386,834

35 STATEMENT OF OPERATIONS BY SEGMENTS

The Group

Segment information is presented in respect of the Group's business and geographical segments. The primary format (business segments) is based on the Group's management and internal reporting structure. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Inter-segment pricing is determined on mutually agreed terms.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

35 STATEMENT OF OPERATIONS BY SEGMENTS (cont'd)

The Group

(a) Business Segment

The Group operates principally in construction, development, hotels and investments. Operations in construction comprise building and engineering work. Development refers to property development. Operations in hotels comprise owning and operating of hotels. Investments refer to investment in properties and shares in quoted and unquoted equities.

	Construction		Development		Hotels		Investments		Consolidated	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
REVENUE										
Total sales	56,776,974	63,929,318	20,864	254,520	62,492,323	74,268,364	389,336	359,078	119,679,497	138,811,280
Inter-segment sales	-	-	-	-	(6,357,600)	(21,523,965)	-	-	(6,357,600)	(21,523,965)
External sales	56,776,974	63,929,318	20,864	254,520	56,134,723	52,744,399	389,336	359,078	113,321,897	117,287,315
RESULTS										
Segment results	(19,931,179)	(3,200,342)	(117,484)	(3,555)	24,773,934	12,987,193	146,290	354,649	4,871,561	10,137,945
Finance costs	(1,136,900)	(819,121)	-	-	(17,837)	(57,352)	-	-	(1,154,737)	(876,473)
	(21,068,079)	(4,019,463)	(117,484)	(3,555)	24,756,097	12,929,841	146,290	354,649	3,716,824	9,261,472
Share of losses of joint ventures	(240,151)	-	-	-	-	-	-	-	(240,151)	-
Share of associated companies' profits	-	-	15,286,568	7,855,108	-	-	1,081,916	63,762	16,368,484	7,918,870
	(21,308,230)	(4,019,463)	15,169,084	7,851,553	24,756,097	12,929,841	1,228,206	418,411	19,845,157	17,180,342
Taxation									(4,415,526)	(2,646,733)
Minority interests									(1,742,845)	(1,400,404)
Net profit									13,686,786	13,133,205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

35 STATEMENT OF OPERATIONS BY SEGMENTS (cont'd)

The Group (cont'd)

(a) Business Segment (cont'd)

	Construction		Development		Hotels		Investments		Consolidated	
	2008 $	2007 $	**2008 $**	2007 $	**2008 $**	2007 $	**2008 $**	2007 $	**2008 $**	2007 $
OTHER INFORMATION										
Segment assets	**40,628,340**	44,526,151	**7,852,155**	8,429,834	**93,834,854**	96,116,060	**15,335,069**	16,542,734	**157,650,418**	165,614,779
Investment in associated companies under equity method	**-**	-	**149,439,561**	97,349,571	**-**	-	**10,325,616**	7,814,335	**159,765,177**	105,163,906
Consolidated total assets (excluding taxation)	**40,628,340**	44,526,151	**157,291,716**	105,779,405	**93,834,854**	96,116,060	**25,660,685**	24,357,069	**317,415,595**	270,778,685
Segment liabilities (excluding taxation)	**87,246,101**	51,328,499	**152,004**	180,089	**17,238,826**	17,300,145	**133,397**	141,736	**104,770,328**	68,950,469
Capital expenditure	**621,551**	70,785	**-**	-	**1,457,720**	6,427,123	**5,790**	5,593	**2,085,061**	6,503,501
Depreciation										
- property, plant and equipment	**783,761**	954,294	**13,264**	13,264	**3,874,198**	3,364,909	**3,321**	5,991	**4,674,544**	4,338,458
- investment properties	**120,016**	120,016	**-**	-	**-**	-	**55,617**	39,454	**175,633**	159,470
Impairment loss on unquoted equity investments	**-**	-	**-**	-	**-**	1,502,141	**545,771**	-	**545,771**	1,502,141

(b) Sales by Market

The following table shows the distribution of the Group's consolidated sales by geographical source, regardless of where the services are rendered:

Sales Revenue by Geographical Market

	2008 $	2007 $
Singapore	**68,184,668**	68,035,459
Australia	**32,046,282**	27,659,751
Vietnam	**12,880,163**	21,170,516
Malaysia	**189,920**	167,069
China	**20,864**	254,520
	113,321,897	117,287,315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

35 STATEMENT OF OPERATIONS BY SEGMENTS (cont'd)

(c) Assets and additions to property, plant and equipment by geographical areas

The following table shows the carrying amount of the segment assets and additions to property, plant and equipment by geographical areas in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2008 $	2007 $	**2008 $**	2007 $
Singapore	**184,041,267**	160,187,263	**727,694**	1,234,947
Australia	**57,636,319**	57,045,713	**512,773**	242,663
Vietnam	**30,500,176**	30,221,221	**838,804**	5,020,298
Malaysia	**37,499,278**	14,767,066	**5,790**	5,593
China	**7,852,155**	8,429,834	**-**	-
Others	**(113,600)**	127,590	**-**	-
	317,415,595	270,778,685	**2,085,061**	6,503,501

Segment revenue and expenses

All segment revenue and expenses are directly attributable to the segments.

Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Whilst most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of accounts payable, wages, loans, and accrued liabilities. Segment assets and liabilities do not include provision for taxation and deferred taxation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

36 DISCLOSURE OF DIRECTORS' REMUNERATION

As required by the Listing Manual of the Singapore Exchange, the remuneration of directors of the Company is disclosed in bands as follows:

	Number of directors	
	2008	**2007**
Above $2,000,000	**1**	-
$1,750,000 to $1,999,999	**-**	1
$1,000,000 to $1,249,999	**1**	1
$250,000 to $499,999	**2**	2
Below $250,000	**4**	5
Total	**8**	9

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments carried on the balance sheet include cash and cash equivalents, financial assets and financial liabilities.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance though a system of internal controls set by the Management.

The Board of Directors, through the Audit Committee, oversees on how Management monitors the compliance of the Group's system of internal controls. In its oversight role, the Audit Committee is aided by the Internal Audit function, which undertakes regular audits of the Group's system of internal controls, the result of which are reported directly to the Audit Committee.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Part of the Group's revenue, expenses, investments and liabilities are denominated in foreign currencies which give rise to foreign exchange risk, particularly among the hotels which are located overseas. The currencies giving rise to this risk are primarily Australian dollar, United States dollar, Chinese Renminbi and Malaysian Ringgit.

In terms of operations, the sales and purchases are denominated in the same currency as much as practicable. The Group also matches the currency of its bank borrowings with the location of its investment to mitigate the risk of currency exposure. As such, the Group does not deem it necessary to enter into any derivative contracts to hedge against foreign currency risk. The foreign exchange risk in the Group's income statement is largely unrealised in nature.

Exposure to foreign currency risk is insignificant as the Group's income and related expenses, assets and liabilities are substantially denominated in the respective functional currencies of the Group entities, which are either the Australian dollar, United States dollar, Chinese Renminbi and Malaysian Ringgit. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risk arises from bank borrowings and cash placed with financial institutions. The interest-bearing loans bear floating interest rates but the Group monitors interest rate trends closely, taking into consideration market and economic factors impacting on interest rates.

(c) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through an adequate amount of credit facilities from financial institutions as necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Market price risk

Market price risk arises mainly from uncertainty about future prices of instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Group's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector.

The Group is exposed to marketable securities price risk because of the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale financial assets through fair value reserve. These securities are listed in Singapore and Malaysia. The Group is not exposed to price risk which is commodity sensitive. The contract from construction industry is agreed upon the awarding of the contract. The extent of the pricing on construction materials which is borne by the Group, is pending circumstances whereby the Group may be able to negotiate for ex-gratia payment.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group has adopted the policy of dealing with creditworthy counterparties as a means of minimising credit risks. Further, the Group places its cash with creditworthy financial institutions only. There are no significant concentrations of credit other than advances to a joint venture, associated companies, and inter-company balances which are eliminated upon consolidation.

38 FINANCIAL INSTRUMENTS

Fair values

The carrying amount of the financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Company and the Group do not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2008

39 CAPITAL MANAGEMENT

The Company's and the Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's ability to continue as going concerns;

(b) To support the Group's stability and growth; and

(c) To provide capital for the purpose of strengthening the Group's risk management capability.

The Company and the Group actively and regularly review and manage their capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

40 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the effect of adopting FRS 40 as follows:

	The Company		The Group	
	Restated	Reported	Restated	Reported
	2007 $	2007 $	2007 $	2007 $
Balance sheet				
Investment properties	4,507,253	-	8,726,483	1,856,868
Property, plant and equipment	9,141,570	10,208,823	79,391,822	83,023,221
Development land	-	3,440,000	-	3,440,000
Reserves	575,339	575,339	(7,764,681)	(8,090,229)
Retained profits	115,183,891	115,183,891	(107,111,720)	(106,987,956)
	129,408,053	129,408,053	(26,758,096)	(26,758,096)
Income statement				
Depreciation of property, plant and equipment	861,859	981,875	4,246,023	4,405,493
Depreciation of investment properties	120,016	-	159,470	-
	981,875	981,875	4,405,493	4,405,493

STATISTICS OF SHAREHOLDINGS

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

1. NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITY AND VOTING RIGHTS ATTACHING TO EACH CLASS ON 23 APRIL 2008 :-

Class of shares	Voting Rights	No. of Holders
Ordinary shares fully paid	1 vote per share	5,402

2. DISTRIBUTION OF SHAREHOLDINGS AND NUMBER OF SHAREHOLDERS AS AT 23 APRIL 2008.

Size of Holdings	No. of Holders	Percentage of Holders	No. of Shares	Percentage of Shares
1 - 999	27	0.50	5,720	0.00
1,000 - 10,000	3,240	59.98	16,798,208	4.55
10,001 - 1,000,000	2,112	39.10	92,472,022	25.03
1,000,001 and above	23	0.42	260,132,050	70.42
Grand Total	5,402	100	369,408,000	100

3. 20 LARGEST REGISTERED SHAREHOLDERS AS SHOWN IN THE REGISTER OF MEMBERS AS AT 23 APRIL 2008.

No	Name of Shareholder	No. of Shares	% of Issued Share Capital
1.	GENERAL CORPORATION BERHAD	191,829,000	51.93
2.	LAU CHOY LAY	10,317,000	2.79
3.	UOB KAY HIAN PTE LTD	7,849,000	2.12
4.	DBS VICKERS SECS (S) PTE LTD	5,991,500	1.62
5.	CITIBANK NOMS S'PORE PTE LTD	4,881,000	1.32
6.	KIM ENG SECURITIES PTE. LTD.	4,615,000	1.25
7.	UNITED OVERSEAS BANK NOMINEES	4,245,500	1.15
8.	OCBC SECURITIES PRIVATE LTD	3,696,500	1.00
9.	LEE EE @ LEE ENG	3,575,000	0.97
10.	NEW CONTINENT ENTERPRISES PTE LTD	3,301,000	0.89
11.	OEI HONG BIE @ NG KIM TJING @ HADI WIDJAJA	2,950,000	0.80
12.	DBS NOMINEES PTE LTD	2,432,500	0.66
13.	LOW CHIN HAN	2,250,000	0.61
14.	HSBC (SINGAPORE) NOMS PTE LTD	1,774,000	0.48
15.	LOW SEOK LING MONICA	1,301,000	0.35
16.	LOW KENG BOON @ LAU BOON SEN	1,300,000*	0.35
17.	TAN JEE MENG	1,175,000	0.32
18.	CHIAM HOCK POH	1,139,000	0.31
19.	TAY CHANG MONG	1,134,000	0.31
20.	PHILLIP SECURITIES PTE LTD	1,115,050	0.30
Total:		256,871,050	69.53

Based on information available to the Company as at 23 April 2008, approximately 41.40% of the issued ordinary shares of the Company are held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual of the SGX-ST.

* Excludes the purchase of 450,000 shares by Mr Low Keng Boon on 21 April 2008 which had not been credited to the CDP account as at 23 April 2008.Public float percentage included this purchase.

STATISTICS OF SHAREHOLDINGS

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

SUBSTANTIAL SHAREHOLDERS AS AT 23 APRIL 2008 AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS:-

Name of Substantial Shareholder	No. of shares fully paid		
	Direct Interest	Deemed Interest	Total
General Corporation Berhad	191,829,000	-	191,829,000
Tan Sri Dato' Low Keng Huat	600,000	191,829,000	192,429,000
Low Keng Boon @ Lau Boon Sen	1,750,000*	205,296,000	207,046,000
Low Keng Hoo @ Lau Keeng Foo	840,000	191,829,000	192,669,000

* Includes the purchase of 450,000 shares on 21 April 2008 which had not been credited to the CDP account as at 23 April 2008.

Tan Sri Dato' Low Keng Huat, Low Keng Boon @ Lau Boon Sen and Low Keng Hoo @ Lau Keeng Foo, by virtue of their interests in General Corporation Berhad, are deemed to be interested in the 191,829,000 shares held by General Corporation Berhad.

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at Chijmes Hall, 30 Victoria Street, Singapore 187996 on Friday, 30 May 2008, at 11.00 a.m., for the following purposes:-

AS ORDINARY BUSINESS

(1) To receive and adopt the Financial Statements for the financial year ended 31 January 2008 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**

(2) To declare a first and final tax-exempt dividend (1-tier) of S$0.025 per ordinary share for the financial year ended 31 January 2008. **(Resolution 2)**

(3) To re-elect Mr Low Keng Hoo @ Lau Keeng Foo, a Director retiring under Article 88 of the Articles of Association of the Company. **(Resolution 3)**

Note:
Mr Low Keng Hoo @ Lau Keeng Foo will, upon re-election as Director of the Company, remain as a member of the Executives' Share Option Committee.

(4) To re-elect Mr Low Poh Kuan, a Director retiring under Article 88 of the Articles of Association of the Company. **(Resolution 4)**

(5) To consider, and if thought fit, to pass the following resolution:-

That pursuant to Section 153(6) of the Companies Act, Cap. 50, Tan Sri Dato' Low Keng Huat be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting. **(Resolution 5)**

(6) To consider, and if thought fit, to pass the following resolution:-

That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lee Han Yang be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting. **(Resolution 6)**

Note:
Mr Lee Han Yang will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee and is considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

(7) To consider, and if thought fit, to pass the following resolution:-

That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lucas Liew Kim Voon be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting. **(Resolution 7)**

Note:
Mr Lucas Liew Kim Voon will, upon re-appointment as Director of the Company, remain as the Chairman of the Audit Committee and is considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

(8) To approve the Directors' fees of S$170,000 for the financial year ended 31 January 2008. (2007: S$147,500) **(Resolution 8)**

(9) To re-appoint Foo Kon Tan Grant Thornton, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions:-

(10) That the Directors be and are hereby authorised to offer and grant options in accordance with the provisions of the Low Keng Huat (Singapore) Limited Executives' Share Option Scheme (the "Scheme") and to allot and issue such shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued shares excluding treasury shares of the Company from time to time. **(Resolution 10)**

(11) That pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always, that subject to any applicable regulations as may be prescribed by the Singapore Exchange Securities Trading Limited;

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 11)**

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

ANY OTHER BUSINESS

(12) To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Thirty-Ninth Annual General Meeting, a first and final tax-exempt dividend (1-iter) of S$0.025 per ordinary share in respect of the financial year ended 31 January 2008 will be paid on 20 June 2008 to shareholders whose names appear in the Register of Members on 5 June 2008. Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 6 June 2008 to 9 June 2008 (both days inclusive), for the purpose of determining shareholders' entitlements to the proposed dividends.

Registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721, up to 5.00 p.m., on 5 June 2008 will be registered before entitlements to the dividends are determined.

By Order of the Board

Chin Yeok Yuen
Company Secretary

Singapore, 8 May 2008

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

NOTES:

1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Meeting.

2. 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 and any such proxy need not be a member of the Company.

3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

EXPLANATORY NOTE ON SPECIAL BUSINESS TO BE TRANSACTED:

The effect of Ordinary Resolution 12 under the heading "Special Business" in the Notice of the Annual General Meeting, is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to allot and issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited currently provides that the total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time this resolution is passed after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed; and any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

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LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

PROXY FORM
FOR THIRTY-NINTH ANNUAL GENERAL MEETING

IMPORTANT:
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, 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.

I/We ____ (Name)

of ____ (Address)

being a member/members of LOW KENG HUAT (SINGAPORE) LIMITED hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at Chijmes Hall, 30 Victoria Street, Singapore 187996 on Friday, 30 May 2008 at 11.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1.	To receive and adopt the Financial Statements for the financial year ended 31 January 2008 together with the reports of the Directors and the Auditors thereon.				
2.	To declare a first and final tax-exempt dividend (1-tier) of S$0.025 per ordinary share for the financial year ended 31 January 2008.				
3.	To re-elect Mr Low Keng Hoo @ Lau Keeng Foo, a Director retiring under Article 88 of the Articles of Association of the Company.				
4.	To re-elect Mr Low Poh Kuan, a Director retiring under Article 88 of the Articles of Association of the Company.				
5.	To re-appoint Tan Sri Dato' Low Keng Huat, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
6.	To re-appoint Mr Lee Han Yang, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
7.	To re-appoint Mr Lucas Liew Kim Voon, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
8.	To approve the Directors' fees of S$170,000 for the financial year ended 31 January 2008.				
9.	To re-appoint Foo Kon Tan Grant Thornton, as Auditors of the Company and to authorise Directors to fix their remuneration.				
10.	To authorise Directors to grant options and issue shares in connection with the LKHS Executives' Share Option Scheme.				
11.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				

* Please indicate your vote "For" or "Against" with a tick (√) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

LOW KENG HUAT (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
Registration No. 196900209G

PROXY FORM
FOR THIRTY-NINTH ANNUAL GENERAL MEETING

Dated this ____________ day of ____________ 2008.

Total Number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

NOTES FOR PROXY FORM

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and share 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 the number of shares is not inserted, this proxy form will be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).

2. A member 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.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.

4. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office, 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269, not later than 11.00 a.m., on Wednesday, 28 May 2008.

5. (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:-

   (a) in the case of an individual member shall be signed by the member or his attorney; and

   (b) in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

   (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the power of attorney or other authority or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.

   (C) In the event that forms of proxy are sent to the members together with any notice of a General Meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by, any person entitled to receive such notice shall not invalidate any resolution passed or any proceeding at any such meeting.

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 meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

7. Please indicate with a tick (√) in the appropriate space how you wish your proxy to vote. If this proxy form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when 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.

Low Keng Huat (Singapore) Limited

(Regn. No.: 196900209G)

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