LOW KENG HUAT
(SINGAPORE) LIMITED

A PORTFOLIO OF
OPPORTUNITIES

Annual Report 2011/2012

Contents

Parkland Residences

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 under our brand name of Carnivore in Singapore. Among its investment portfolio are investment properties in Singapore, Malaysia and China.

Chairman's Statement

Review of Financial Performance

For the financial year ended 31 January 2012, the Group recorded a net profit attributable to shareholders of $85.9 million, an increase of 5% compared to the previous financial year. The increase was mainly due to higher profits from construction and development segments offset by lower profits from investment and hotel segments.

The Group's shareholders' funds increased by 17.2% to $390.5 million as at 31 January 2012 from $333.2 million as at 31 January 2011. Consequently, the net tangible asset per ordinary share of the Group increased to $0.53 as at 31 January 2012 from $0.45 as at 31 January 2011. The Group has embarked on majority owned development projects, Paya Lebar Square and Parkland Residences, which were launched in December 2011 and Janurary 2012 respectively. Hence cash and cash equivalents decreased by 72.7% to $32.9 million as at 31 January 2012 from $120.3 million as at 31 January 2011. At the same time the Group's bank borrowings increased to $556.8 million as at 31 January 2012 from Nil as at 31 January 2011.

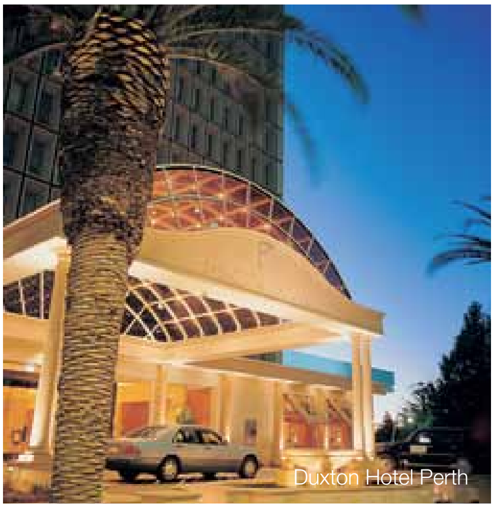
Corporate Development & Prospects

Business outlook is expected to be cautious and uncertain in 2012 due to the debt crisis in euro zone, weak growth in USA and the slow down in the Chinese economy. The Singapore GDP is expected to grow only by 1% to 3%. The unfavourable economic conditions, the imposition of Additional Buyers' Stamp Duty in December 2011 on purchase of residential units, the increase in land sales and increase in number of BTO launches have dampened market sentiment.

During the year we secured a construction project at Chinatown Point for $66.3 million which is expected to complete by end of 2012. The other construction project at 6 Battery Road is expected to complete by first quarter of 2014.

Property development will continue to recognize profits from projects launched and sold by our subsidiaries, joint ventures and associated companies. The 1,145 units Minton at Hougang was launched in May 2010 and we have sold 99% as of April 2012. Parkland Residences, our DBSS project at Upper Serangoon Road, was launched in January 2012 and we sold more than 40% as of April 2012. Paya Lebar Square, our commercial and retail project, located at the upcoming Paya Lebar Hub and directly linked by both East-West and Circle MRT lines, was lauched in December 2011. As of April 2012, we have sold more than 80% of our office units. The retail units have yet to be launched. The better than expected sales performance at Paya Lebar Square is an indication of the health of the commercial property market at strategic non-CBD locations.

Duxton Hotel Perth and Duxton Hotel Saigon are expected to perform well in view of the recovery in the economies of Western Australia and Vietnam respectively.



Duxton Hotel Perth

During the year, we have grown our F&B business by opening two more new outlets at Marina Bay Sands and Dempsey Road. In addition to our Carnivore brand, a Brazilian Churrascaria buffet concept, we have expanded to include three more F&B concepts. These new concepts and brands are Beets (fusion vegetarian), Addictions (casual Café) and The Still Bar (drinks and bar).

Despite the uncertain economic environment, we expect the property sector in Singapore to remain stable in the medium term. We remain cautious and will continue to be selective in our project and land tendering. We will continue to focus on our core business, explore opportunities to extend our property investment and development business and seek new businesses that will generate consistent revenue and profitability streams.

Dividend

The Board is pleased to recommend a first and final dividend of 3.0 cents per share and a special dividend of 1.0 cent per share making a total dividend of 4.0 cents. Both dividends are tax exempt (one-tier) and total dividend payment will amount to $29.6 million.

This proposed dividend represents 34% of our earnings per share of 11.63 cents and remains the same as last year's. This dividend recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on 31 May 2012. The proposed dividend, if approved by shareholders, will be paid on 25 June 2012.

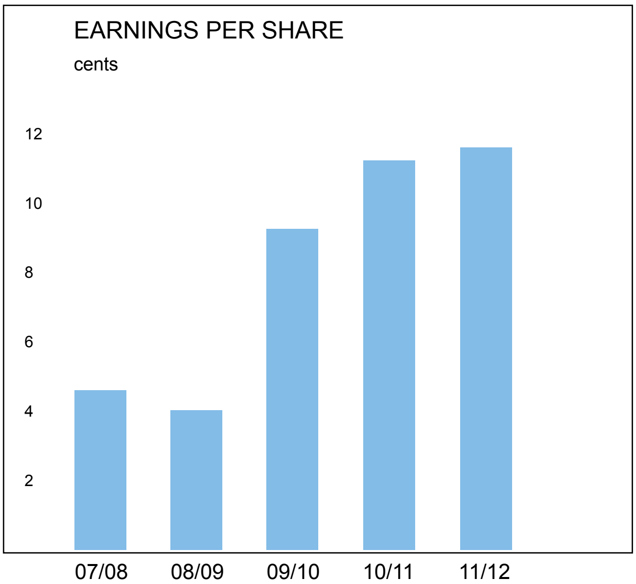
Appreciation

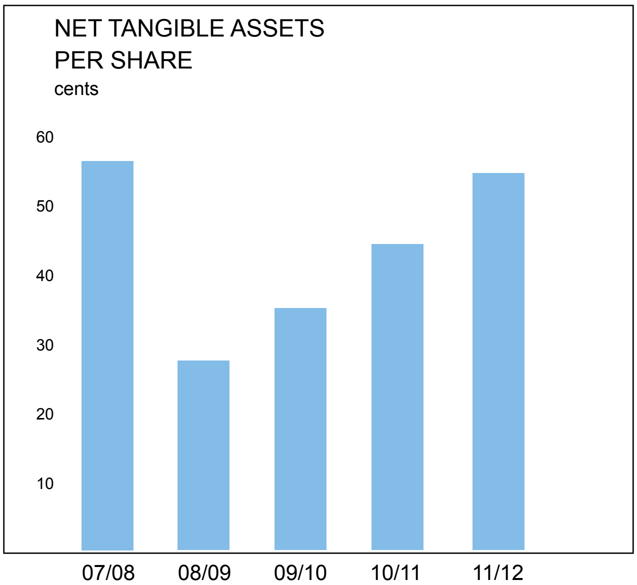
On behalf of the Board, I would like to express my sincere appreciation to the management and staff of the Group for their hard work, dedication and commitment to our shareholders, associates and customers, for their continued support.

Tan Sri Dato' Low Keng Huat
Non-Executive Chairman
April 2012

5 years Financial Highlights

	2007/08	2008/09	2009/10	2010/11	2011/12
OPERATING RESULTS					
Revenue ($'000)	113,322	274,602	595,451	272,164	136,398
EBITDA ($'000)	27,000	41,033	74,134	105,978	108,756
Pretax profit ($'000)	19,846	35,053	67,926	100,453	102,633
Net profit ($'000)	13,687	30,682	64,276	83,687	88,349
EBITDA margin (%)	23.8	14.9	12.5	38.9	79.7
Pretax margin (%)	17.5	12.8	11.4	36.9	75.2
Net margin (%)	12.1	11.2	10.8	30.7	64.8
FINANCIAL POSITION					
Total assets ($'000)	317,416	359,768	547,227	549,751	1,150,016
Total borrowings ($'000)	75,273	38,569	6,001	-	556,750
Shareholders' equity ($'000)	198,864	209,583	268,716	333,191	390,529
Net debt : equity (times)	0.24	0.03	-	-	1.34
PER SHARE DATA					
Earnings (cents)	4.2	4.0	8.5	11.1	11.6
Dividend (cents)	2.5	1.5	3.0	4.0	4.0
Net tangible assets (cents)	56.2	28.0	36.0	45.0	53.0
Year end share price (cents)	45.0	16.0	46.0	46.0	34.5
SHAREHOLDERS' RETURN					
Return on equity (%)	6.9	14.6	23.9	25.1	22.6
Return on assets (%)	4.3	8.5	11.7	15.2	7.7
Dividend yield (%)	5.6	9.4	6.5	8.8	11.6
Dividend payout ratio (%)	60.0	38.0	35.0	36.0	34.4



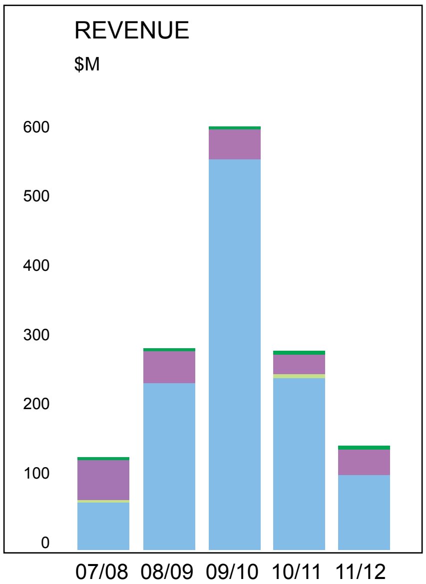


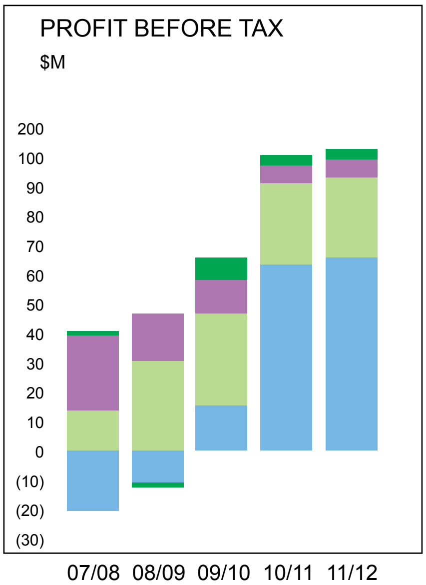
5 years Financial Highlights

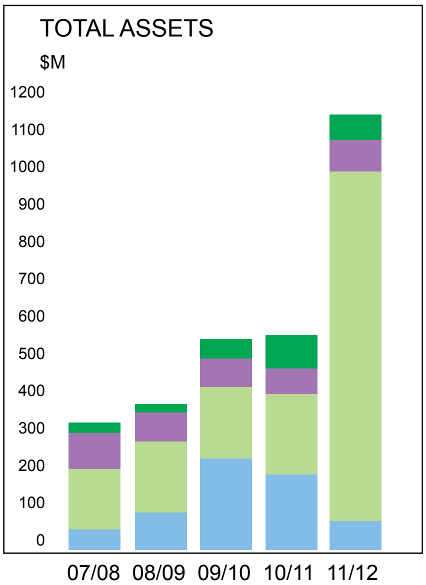
	2007/08 ($'000)	2008/09 ($'000)	2009/10 ($'000)	2010/11 ($'000)	2011/12 ($'000)
REVENUE					
Construction	56,777	219,992	545,645	221,202	82,505
Development	21	-	148	234	-
Hotels	56,135	54,278	48,356	48,791	51,627
Investments	389	332	1,302	1,937	2,266
	113,322	274,602	595,451	272,164	136,398
PROFIT BEFORE TAX					
Construction	(21,308)	(11,641)	16,923	66,951	69,878
Development	15,169	31,279	31,756	23,918	24,146
Hotels	24,756	16,238	12,659	5,851	6,755
Investments	1,229	(823)	6,588	3,733	1,854
	19,846	35,053	67,926	100,453	102,633
TOTAL ASSETS *					
Construction	40,628	97,829	225,250	164,328	60,288
Development	157,292	172,140	182,846	226,196	946,688
Hotels	93,835	68,648	73,606	70,847	72,412
Investments	25,661	21,086	64,993	87,876	70,078
	317,416	359,703	546,695	549,247	1,149,446

** Excluding tax*

Construction Development Hotels Investments







Operating & Financial Review

Paya Lebar Square

Net profit attributable to shareholders increased by 5.1% or $4.2M to $85.9M during current year from $81.7M during previous year.

OVERALL

The Group's four business segments are construction, property development, hotels and investments. In recent years, the Company shifted the business mix from hotels to property developments.

Net profit attributable to shareholders increased by 5.1% or $4.2M to $85.9M during current year from $81.7M during previous year. It increased by 68.8% or $13.2M to $32.4M in Q4 current year from $19.2M in Q4 previous year. The increase was mainly due to higher profits from construction and development segments offset by lower profits from investment and hotel segments.

Group revenue decreased by $135.8M to $136.4M during current year from $272.2M during previous year. It increased by $2.8M to $41.8M in Q4 current year from $39.0M in Q4 previous year. The decrease in revenue was mainly due to decrease in construction activities. Development revenue and investment revenue were not significant.

Cost of sales decreased by $137.9M to $29.2M during current year from $167.1M during previous year. It increased by $5.3M to $7.2M in Q4 current year from $1.9M in Q4 previous year. The decrease in cost of sales was mainly due to reversal of accruals of $76.3M for substantially completed projects, as these costs are no longer required. Such costs include cost savings from materials and re-engineering works. Gross profit increased by $2.1M to $107.2M during current year from $105.1M during previous year. It decreased by $2.5M to $34.5M in Q4 current year from $37.0M in Q4 previous year. The increase in current year was mainly due to decrease in construction activity offset by adjustment of profits upon finalisation of accounts for substantially completed project, nex at Serangoon Central Mall.

Other income increased by $3.0M to $8.5M during current year from $5.5M during previous year. It decreased by $0.5M to $1.4M in Q4 current year from $1.9M in Q4 previous year. The increase was mainly due to higher gain on disposal of quoted equity investment during current year.

The loss of concessionary income is derived from the gaming centre operations in Duxton Hotel Saigon which opened for business in November 2006. The licence for operating the gaming centre was withdrawn by the Vietnamese government in April 2010. The hotel remains open and is running under coercive action by the Vietnamese

Paya Lebar Square

tax authorities. The Vietnamese tax authorities has imposed a coercive action on the hotel as we do not agree to pay the additional tax and penalties of US$7.1M charged on us. For prudent reasons, the amount of additional tax and penalties have been fully provided for in our accounts in the previous year. As of 15 March 2012, approximately US$2.4M has been collected by the tax department via our bank accounts. We are still in negotiation with the tax authorities to settle the outstanding tax amounts. The concessionary loss decreased by $6.1M and $6.2M over previous year and Q4 previous year respectively mainly due to higher income tax expense for gaming centre in previous year.

Distribution costs increased by $2.5M to $3.4M during current year from $0.9M during previous year. It increased by $2.5M to $2.7M in Q4 current year from $0.2M in Q4 previous year. The increase was mainly due to marketing expenses incurred for the two development projects, Paya Lebar Square and Parkland Residences, launched in December 2011 and January 2012 respectively.

Administrative costs decreased by $3.9M to $18.3M during current year from $22.2M during previous year. It decreased by $1.3M to $5.7M in Q4 current year from $7.0M in Q4 previous year. The decrease was mainly due to decrease in profit share to Joint Managing Directors and Deputy Managing Director. The provision for profit share was made in accordance with service contracts.

The Group uses interest rate swap to manage its exposure to interest rate movements by swapping the borrowings from floating rates to fixed rates. The interest rate swap settles on a quarterly basis. The fair value of the swap entered into as at 31 January 2012 are based on quoted market prices for equivalent instruments at the balance sheet date. The Group does not designate this interest rate swap as hedging instrument and the movements in fair value of $2.2M loss for current year has been recognised in the income statement.

Other operating expenses increased by $5.3M to $15.5M during current year from $10.2M during previous year. It increased by $0.1M to $7.3M in Q4 current year from $7.2M in Q4 previous year. The increase was mainly due to increase in impairment loss on long-term investment, loss in fair value of short-term investment and translation exchange loss transferred from exchange reserve offset by decrease in the concessionary loss.

Share of results of associated companies and joint ventures increased by $2.9M to $26.7M during current year from $23.8M during previous year. It increased by $15.5M to $17.0M in Q4 current year from $1.5M in Q4 previous year. The increase was mainly due to increased contribution from the Minton. The Minton, launched in May 2010, sold 836 units as of 31 January 2012 out of a total of 1,145 units. As of April 2012, we sold 99%.

On 6 September 2010, the interest of the previous parent company, General Corporation Berhad, was acquired by Consistent Record Sdn Bhd. In accordance with the Singapore tax regulations, the Company and the Group may lose its ability to carry forward its unabsorbed capital allowances and unutilised tax losses as a result of this change in ownership at the parent company level. The Company submitted an appeal to the tax authorities to seek a waiver to retain the ability to carry forward unutilised tax losses and capital allowances. We were successful in our appeal and on 18 December 2011, the Inland Revenue Authority of Singapore ("IRAS") granted us the waiver to retain the ability to carry forward unutilised tax losses and capital allowances. As the waiver has been granted, the tax liability of $4.6M that has been provided previously was written back in Q4 current year. As a result, income tax expense decreased by $2.5M to $14.3M during the year from $16.8M in the previous year.

Operating & Financial Review

Construction

Construction revenue decreased by 62.7% to $82.5M during current year from $221.2M during previous year. It increased by 1.9% to $27.5M in Q4 current year from $27.0M in Q4 previous year. The decrease was due to the completion of nex at Serangoon Central Mall. Net profit before tax & non-controlling interests for construction segment increased by $2.9M to $69.9M during current year from $67.0M during previous year. It decreased by $2.3M to $24.9M in Q4 current year from $27.2M in Q4 previous year. The decreased profit performance was due to decrease in construction activities.

Hotel & F&B business

Revenue for hotel & F&B businesses increased by 5.8% to $51.6M during current year from $48.8M during previous year. It increased by 18.3% to $13.6M in Q4 current year from $11.5M in Q4 previous year. The increase was due to higher revenue from Duxton Perth and Duxton Saigon offset by lower revenue from F&B business. The higher revenue from Duxton Perth and Duxton Saigon was mainly due to higher room rates and occupancy rates. The lower revenue from F&B business was due to cessation of operations of Chijmes Hall and Capella in the previous year. During the year, we have grown our F&B business by opening two more new outlets at Marina Bay Sands and Dempsey Road. In addition to our Carnivore brand, a Brazilian Churrascaria buffet concept, we have expanded to include three more F&B concepts. These new concepts and brands are Beets (fusion vegetarian), Addictions (casual Café) and The Still Bar (drinks and bar). Net profit before tax and non-controlling interests for hotel segment increased by $0.9M to $6.8M during current year from $5.9M during previous year. It increased by $1.0M to negative $2.6M in Q4 current year from negative $3.6M in Q4 previous year. The increase in profits performance was mainly due to higher revenue, lower concessionary loss in gaming centre offset by translation exchange loss.

Development

Contributions from associated companies and joint ventures increased by 0.8% to $24.1M during current year from $23.9M during previous year. It increased by 866.7% to $14.5M in Q4 current year from $1.5M in Q4 previous year. The increase was mainly due to increased profit contributions from the Minton project. The Minton was launched in May 2010. The Minton sold 836 units as at 31 January 2012 out of a total of 1,145 units and we have sold 99% as of April 2012. We launched two majority owned projects, Paya Lebar Square and Parkland Residences recently. Paya Lebar Square, our commercial and retail project, located at the upcoming Paya Lebar Hub and directly linked by both East-West and Circle MRT lines was launched in December 2011. As of April 2012, we have sold more than 80% of our office units. The retail units have yet to be launched. The better than expected sales performance at Paya Lebar Square is an indication of the health of the commercial property market at strategic non-CBD locations. Parkland Residences, our DBSS project at Upper Serangoon Road, was launched in January 2012 and it sold more than 40% as of April 2012. The modest sales percentage was achieved amidst the negative market sentiment in the residential property market as a result of the additional stamp duty imposed by the government in December 2011 and the increase in the number of BTO launches.


Paya Lebar Square

Investments

The Group's investments are investment properties mainly in Singapore and Malaysia as well as some quoted equity investments. Net profit before tax and non-controlling interest in investment segment decreased by $1.8M to $1.9M during current year from $3.7M during previous year. It decreased by $1.2M to negative $0.1M in Q4 current year from $1.1M in Q4 previous year. The decreases are mainly due to higher impairment loss of long-term quoted equity investment and fair value loss on short-term quoted equity investments offset by gain on disposal of quoted equity investments. On 24 February 2012, we have entered into a Sales and Purchase Agreement with a third party to sell our warehouse located at 43 Sungei Kadut Road for $10.0M. This sale is subject to the approval of JTC Corporation of Singapore.

	DEVELOPMENT PROJECT ON HAND	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1	the Minton	Hougang Street 11	40	Condominium/ shops	1,145	Launched in May 2010 99% sold
2	Parkland Residences	Upper Serangoon Road	100	DBSS flats	680	Launched in January 2012 322 units sold
3	Paya Lebar Square	60 Paya Lebar Road	80	Office units	556	Office units launched in December 2011 Sold 474 units
				Retail	159	Retail yet to be launched
4	Panorama	Persiaran Hampshire, Kuala Lumpur	25	Serviced Apartments	223	Launched in April 2008 96% sold
5	Masai Industrial Park	Bandar Seri Alam, Johor	49	Industrial	25	Launched in April 2008 24 units sold
6	Bina Park	Bandar Seri Alam, Johor	49	3 Storey Twin/ Link Villas	124	To be launched by end 2012
				3 Storey Shops	31	Yet to be launched
7	Unnamed	Jalan Conlay, Kuala Lumpur	20	Condominium	-	Yet to be launched

	LAND BANK	LOCATION	LKH'S SHARE (%)	AREA (SQF)	USE
8	Unamed	Bandar Seri Alam, Johor	49	3,298,458	Bungalows
9	Tiram Park	Jalan Kota Tinggi Johor	49	6,622,184	Mixed development
10	Unamed	Kuala Lumpur	100	14,041	Office
11	Lot 112440 Land Bank in Johor	Mukin Pelentong Johor	49	195,283	Residential

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Low Keng Huat
(Non-Executive Chairman)

Low Keng Boon
(Joint Managing Director)

Dato' Marco Low Peng Kiat
(Joint Managing Director)

Low Keng Hoo
(Deputy Managing Director)

Low Poh Kuan
(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)

Jimmy Yim Wing Kuen
(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

Jimmy Yim Wing Kuen

COMPANY SECRETARY

Chin Yeok Yuen, FCPA

SOLICITORS

TSMP Law Corporation
6 Battery Road
Level 41
Singapore 049909

AUDITORS

Foo Kon Tan Grant Thornton LLP
47 Hill Street #05-01
Singapore Chinese Chamber of
Commerce & Industry Building
Singapore 179365
Partner-in-charge: Yeo Boon Chye
(Year of appointment: FYE 31
January 2012)

BANKERS

United Overseas Bank Limited

Oversea-Chinese Banking
Corporation Limited

Malayan Banking Berhad

The Bank of East Asia, Limited

DBS Bank Limited

Standard Chartered Bank

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
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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 quarterly, 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

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 31 May 2011. He is a director of Consistent Record Sdn. Bhd. which has become our substantial shareholder in August 2010. 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

Joint Managing Director

Mr Low Keng Boon is a co-founder and the Managing Director of the Company since its incorporation on 14 April 1969 till 31 October 2011. He was appointed as Joint Managing Director on 1 November 2011. 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.

Dato' Marco Low Peng Kiat

Joint Managing Director

Dato Marco Low Peng Kiat was appointed as a Non-Executive Director of the Company on 7 November 2006. He was appointed as Joint Managing Director on 1 November 2011. He is a director of Consistent Record Sdn. Bhd. which has become our substantial shareholder in August 2010. He holds a Bachelor of 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.

Board of Directors

Low Keng Hoo @ Lau Keeng Foo

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 31 May 2011. 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 Garden condominium.

Low Poh Kuan

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 31 May 2011. 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.

Lee Han Yang

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 31 May 2011. He is also serving on the Company's Audit, Nominating and Remuneration Committees. Mr Lee is a BA (Singapore) and Barrister-at-Law of Lincoln's Inn, London. He is an Advocate and Solicitor of the Supreme Court of Singapore. Mr Lee currently sits on the Board of Wing Tai Holdings Ltd, a company listed on the SGX. He is also a director of Tan Chong International Ltd, a company listed on the Stock Exchange of Hong Kong. Mr Lee is an active member of the Law Society of Singapore and has served on several committees of the Law Society. He also serves on the Board of the Society for the Physically Disabled and until recently he was on the board of National Council of Social Service. In August 2006, he was awarded the Public Service Star (BBM) by the President of Singapore.

Board of Directors

Lucas Liew Kim Voon

Independent Director

Mr Lucas Liew was appointed as an independent director of the Company on 28 January 1992. He was last re-elected on 31 May 2011. 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

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 28 May 2009. 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. 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.

Jimmy Yim Wing Kuen

Independent Director

Mr. Jimmy Yim was appointed an Independent Director of the Company on 1 March 2009. He was last elected on 28 May 2009. He is the incumbent Managing Director of the Litigation & Dispute Resolution Department of Drew & Napier LLC, a leading law practice in Singapore, established since 1889. He was admitted to the Singapore Bar in 1983 and is one of the earliest batches of Senior Counsel, appointed in January 1998. His practice covers a range of civil and commercial law, criminal law and international commercial arbitrations. He is a fellow of the Singapore Institute of Arbitrators, a regional arbitrator with the Singapore International Arbitration Centre, panel member of mediators for FIDRC of the Association of Banks in Singapore. He is recommended by name in the various professional journals and ranking agencies in the area of dispute resolution. Apart from Low Keng Huat (Singapore) Limited, Mr. Yim sits on the boards of a few private and public companies.

Key Management

Lee Yoon Moi

Chief Operating Officer

Mr Lee Yoon Moi is responsible for all construction and development activities undertaken by the Group. He is also appointed as the Management Representative overseeing the development, implementation and maintenance of the Company's ISO Quality Assurance Programme. Prior to joining LKHS in 1990, Mr Lee was the General Manager of Construction Technology Pte Ltd (Contech), a wholly government owned construction company set up to spearhead modernization and mechanization in the construction industry. Mr Lee has a Bachelor of Civil Engineering degree (First Class Honours) from the then University of Singapore and a Masters of Engineering degree from McGill University, Montreal, Canada. He is also a member of the Institution of Civil Engineers, MICE (Chartered Civil Engineer) as well as a registered Professional Engineer (Civil & Structural).

Chin Yeok Yuen

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

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.

Key Management

Wong Chong Seng, Phillip

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.

Low Chin Han

General Director

Duxton Hotels

Mr Low Chin Han graduated with a Bachelor of Business Management majoring in finance in 2003 from Singapore Management University. Mr Low has worked as a consultant for Duxton Hotels since 2009 and was promoted to General Director of Duxton Hotels in July 2011. Prior to working for Duxton Hotels, Mr Low Chin Han was working with several investment banks in Singapore and Hong Kong in both equity capital markets and debt capital markets.

Bruce Doig

General Manager

Duxton Hotel Perth

Mr Doig joined Duxton Perth Hotel as Deputy General Manager in April 2008 and was subsequently promoted to General Manager in July 2008. He has more than 34 years of hotel experience in Australia and worked for well known hotel brands including Sheraton, Hyatt, Broadwater Hotel & Resorts, Merlin Hotels and Radisson. Mr Doig graduated from Wesley College before obtaining a Diploma in Hotel Management and Catering from Bentley Technical College.

Dang Di Nghia

General Manager

Duxton Hotel Saigon

Mr Nghia graduated from Blue Mountains International Hotel Management School in New South Wales, Australia. Mr Nghia worked for Duxton Hotel Saigon from its opening in 1995 to 1996 before pursuing his further studies in Australia. He worked for Hyatt New Zealand, Victoria Hotel Australia and Accor Vietnam before returning to work for Duxton Hotel Saigon in 2000. He was promoted to General Manager in February 2012. Mr Nghia graduated with an Advance Diploma in Hotel Management and possessed more than 18 years of working experience in the hospitality industry.

Corporate Governance & Financial Contents

The Company is committed to complying with effective Corporate Governance to ensure transparency and protection of shareholders' value. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance 2005 ("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; and
- The Audit Committee.

Each of the above committees has its respective written mandates and operating procedures, which will be reviewed on a regular basis.

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:

No. of Meetings Attended in FY2011/2012				
Directors	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Tan Sri Dato' Low Keng Huat	3	NA	NA	NA
Low Keng Boon @ Lau Boon Sen	4	4	3	5
Dato' Marco Low Peng Kiat	4	2	2	2
Low Keng Hoo @ Lau Keeng Foo	4	NA	NA	NA
Low Poh Kuan	4	NA	NA	NA
Lee Han Yang	4	4	3	5
Lucas Liew	4	4	3	5
Wey Kim Long	4	4	3	5
Jimmy Yim	2	NA	1	1
No. of meetings held in 2011/2012	4	4	3	5

Principle 2 Board Composition and Balance

The Board comprises nine Directors of whom five are non-executive and four are executive. Of the five non-executive Directors, four 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 (Page 11 to page 13 of 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 Joint Managing Directors ensures proper balance of power and authority at the top Management of the Group. The posts of the non-executive Chairman and Joint Managing Directors are kept separate and are held by Tan Sri Dato' Low Keng Huat, Mr. Low Keng Boon @ Lau Boon Sen and Dato' Marco Low Peng Kiat 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 Joint Managing Directors make key decisions on the management and operations of the Group and are 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 @ Lau Boon Sen. Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat and is appointed as Joint Managing Director on 1 November 2011. 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.

Mr. Lee Han Yang was appointed by the Board on 12 September 2006 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.

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 @ Lau Boon Sen	Joint 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 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 four Directors, all of whom 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
Mr. Jimmy Yim	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; and
- 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.

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.

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 2012 are set out below. A significant portion of key executives' remuneration is linked to corporate and individual performance.

	Directors' Fee [1]	Salary (annual)	Profit Sharing/ Bonus [2] (annual)	CPF/ Super-annuation	Allowances/ Benefits (annual)	Total
Directors						
$3,000,000 to $5,000,000						
Low Keng Boon @Lau Boon Sen	–	16%	83%	–	1%	100%
$1,000,000 to $3,000,000						
Low Keng Hoo @ Lau Keeng Foo	–	16%	83%	–	1%	100%
Dato'Marco Low Peng Kiat [3]	1%	5%	94%	–	–	100%
$250,000 to $499,999						
Low Poh Kuan	–	65%	27%	3%	5%	100%
Below $250,000						
Tan Sri Dato' Low Keng Huat	100%	–	–	–	–	100%
Lee Han Yang	100%	–	–	–	–	100%
Lucas Liew	100%	–	–	–	–	100%
Wey Kim Long	100%	–	–	–	–	100%
Jimmy Yim Wing Kuen	100%	–	–	–	–	100%
Key Executives						
$250,000 to $499,999						
Lee Yoon Moi	–	68%	28%	1%	3%	100%
Chin Yeok Yuen	–	66%	30%	4%	–	100%
Low Poh Kok	–	70%	26%	–	4%	100%
Low Chin Han	–	100%	–	–	–	100%
Below $250,000						
Wong Chong Seng	–	73%	18%	9%	–	100%
Dang Di Nghia	–	100%	–	–	–	100%
Bruce Doig	–	92%	–	8%	–	100%

(1) Directors' fee proposed for 2011/2012

(2) Profit Share for 2011/2012 For Messrs Low Keng Boon, Dato' Marco Low Peng Kiat & Low Keng Hoo, amounts are in accordance with service agreements

(3) Dato' Marco Low Peng Kiat was appointed as Joint Managing Director on 01 November 2011.

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

Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat. Mr. Low Chin Han is the son of Mr. Low Keng Boon @ Lau Boon Sen. Messrs Low Poh Kuan and Low Poh Kok are the sons of Mr. Low Keng Hoo @ Lau Keeng Foo. 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.

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 independent:

Mr. Lucas Liew	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 and industrial 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 of the external auditor;
- Nomination of the external auditor;
- Oversee internal audit; and
- Review of 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.

The Company has 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.

In appointing the audit firms for the Group, the Audit Committee is satisfied that the Company has complied with Listing Rules 712 and 716.

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:

INTERESTED PERSON TRANACTIONS FOR FINANCIAL YEAR ENDED 31ST JANUARY 2012

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Consistent Record Sdn. Bhd.	Bina Meganmas Sdn Bhd : Loan S$ 1,674,122.37 Binakawa Sdn Bhd : Loan S$ 4,756,422.45	N/A

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

Principle 12 Internal Controls and Risk Management

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.

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.

The Board, with the concurrence of the Audit Committee, is satisfied that the present internal controls and risk management are adequate to address financial, operational and compliance risks 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 Joint Managing Directors 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.

Corporate Governance

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 Chairman 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 during the period beginning two weeks before and ending on the date of the release of the quarterly results as well as during the period beginning one month before and ending on the date of the release of the full year results and at any time while in possession of any unpublished material price-sensitive information.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's Securities outside the prohibited periods. They are discouraged from dealing in the Company's Securities on short-term considerations and should be mindful of the Laws on insider trading.

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 January 2012 and the statement of financial position of the Company as at 31 January 2012.

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
Dato' Marco Low Peng Kiat
Low Keng Hoo
Low Poh Kuan
Lee Han Yang
Lucas Liew Kim Voon
Wey Kim Long
Jimmy Yim Wing Kuen

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

Arrangements to enable directors 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, whose object 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 had any interest in the shares or debentures of the Company or its related corporations except as follows:

	Direct interest		Deemed interest	
Name of director	As at 1 February 2011	**As at 31 January 2012 & 21 February 2012**	As at 1 February 2011	**As at 31 January 2012 & 21 February 2012**
	Number of shares			
Low Keng Huat (Singapore) Limited				
Tan Sri Dato' Low Keng Huat	1,200,000	**1,200,000**	496,389,097	**396,389,097**
Low Keng Boon	3,500,000	**61,841,450**	26,934,000	**26,934,000**
Dato' Marco Low Peng Kiat	300,000	**300,000**	497,349,097	**397,940,097**
Low Keng Hoo	10,036,644	**51,695,194**	–	**–**
Low Poh Kuan	1,998,000	**1,998,000**	–	**–**
Lee Han Yang	480,000	**480,000**	–	**–**
Lucas Liew Kim Voon	456,000	**456,000**	–	**–**
Wey Kim Long	400,000	**400,000**	–	**–**
Jimmy Yim Wing Kuen	100,000	**100,000**	–	**–**

Directors' Report

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

Name of director	Direct interest As at 1 February 2011	**As at 31 January 2012 & 21 February 2012**	Deemed interest As at 1 February 2011	**As at 31 January 2012 & 21 February 2012**
		Number of shares of RM1.00 each		
Ultimate holding company- Consistent Record Sdn. Bhd.				
Tan Sri Dato' Low Keng Huat	1	**1**	–	**–**
Dato' Marco Low Peng Kiat	1	**1**	–	**–**
		Number of shares		
Subsidiary- Kendall Pte Ltd				
Tan Sri Dato' Low Keng Huat	–	**–**	750	**750**
Dato' Marco Low Peng Kiat	–	**–**	750	**750**
Subsidiary- Pyline Pte Ltd				
Tan Sri Dato' Low Keng Huat	–	**–**	750	**750**
Dato' Marco Low Peng Kiat	–	**–**	750	**750**
		Number of shares of A$1.00 each		
Subsidiary- Narymal Pty Ltd				
Tan Sri Dato' Low Keng Huat	–	**–**	75	**75**
Dato' Marco Low Peng Kiat	–	**–**	75	**75**

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

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 for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 27 and Note 35 to the financial statements.

Share options

The Low Keng Huat (Singapore) Limited Executives' Shares Option Scheme expired during last financial year ended 31 January 2011. The Board is not seeking shareholders' mandate to extend the scheme. There are no other share option schemes available.

Audit committee

The Audit Committee comprises the following members:

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

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing these functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditor. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2012 as well as the auditor's report thereon; and

(iv) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit 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 Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan Grant Thornton LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

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

Other information required by the SGX-ST

Material information

Apart from the Service Agreements between certain executive directors and the Company, there is no material contract 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 ended 31 January 2012.

Other information required by the SGX-ST (cont'd)

Interested person transactions

There was no interested person transaction as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year except as disclosed under "Interested Person Transaction for Financial Year Ended 31st January 2012" in the "Corporate Governance" section of the Annual Report.

On behalf of the Directors

LOW KENG BOON

DATO' MARCO LOW PENG KIAT

12 April 2012

Statement by Directors

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2012 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and 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

DATO' MARCO LOW PENG KIAT

12 April 2012

Independent Auditor's Report

TO THE MEMBERS OF LOW KENG HUAT (SINGAPORE) LIMITED

ancial statements of Low Keng Huat (Singapore) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Company as at 31 January 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2012, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other legal and regulatory requirements

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

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Certified Public Accountants

Singapore, 12 April 2012

Statements of Financial Position

AS AT 31 JANUARY 2012

	Note	The Group		The Company		
		31 January 2012	31 January 2011	**31 January 2012**	31 January 2011	1 February 2010
			*(restated)		*(restated)	*(restated)
		$'000	$'000	**$'000**	$'000	$'000
ASSETS						
Current assets						
Cash and cash equivalents	4	**32,888**	120,323	**3,192**	106,081	108,750
Investments	5(a)	**4,098**	1,976	**–**	–	–
Trade and other receivables	6	**41,105**	86,104	**34,732**	37,864	94,654
Work-in-progress	7	**849**	1,325	**3,032**	458	–
Inventories	8	**520**	359	**–**	–	–
Development properties	9	**785,128**	–	**–**	–	–
		864,588	210,087	**40,956**	144,403	203,404
Non-current assets						
Investments	5(b)	**45,354**	70,276	**1,974**	1,589	2,347
Joint ventures	10(a),40	**146,271**	180,613	**145,033**	160,741	159,131
Associated company	11	**18,166**	12,667	**–**	–	–
Subsidiaries	12,40	**–**	–	**320,370**	146,883	91,300
Investment properties	13	**9,266**	10,936	**7,101**	7,780	8,412
Property, plant and equipment	14	**65,812**	64,675	**5,320**	5,906	6,221
Deferred tax assets	15	**559**	497	**–**	–	–
		285,428	339,664	**479,798**	322,899	267,411
Total assets		**1,150,016**	549,751	**520,754**	467,302	470,815
LIABILITIES						
Current liabilities						
Trade and other payables	16	**122,338**	180,914	**107,722**	167,846	237,022
Amounts owing to subsidiaries						
- trade		**–**	–	**255**	256	257
- non-trade	17,40	**–**	–	**9,210**	10,208	11,053
Advances received from a joint venture	18	**2**	2	**2**	2	898
Amount owing to a non-controlling shareholder of a subsidiary (non-trade)	19	**2,022**	1,946	**–**	–	–
Provision for directors' fee		**268**	200	**268**	200	200
Current tax payable		**18,148**	17,802	**14,796**	14,907	21
Bank borrowings	20	**23,000**	–	**23,000**	–	6,001
		165,778	200,864	**155,253**	193,419	255,452

* please refer to Note 40 to the financial statements

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

Statements of Financial Position (Cont'd)

AS AT 31 JANUARY 2012

		The Group		The Company		
		31 January 2012	31 January 2011 *(restated)	**31 January 2012**	31 January 2011 *(restated)	1 February 2010 *(restated)
	Note	**$'000**	$'000	**$'000**	$'000	$'000
LIABILITIES						
Non-current liabilities						
Bank borrowings	20	**533,750**	–	**–**	–	–
Amount owing to non-controlling shareholders of a subsidiary	19	**41,804**	–	**–**	–	–
Joint venture	10(b),40	**412**	857	**333**	726	592
Other payables	16	**259**	249	**–**	–	–
Derivative financial instrument	21	**3,303**	1,106	**3,303**	1,106	1,013
Deferred tax liabilities	15	**17**	28	**–**	–	541
		579,545	2,240	**3,636**	1,832	2,146
Total liabilities		**745,323**	203,104	**158,889**	195,251	257,598
NET ASSETS		**404,693**	346,647	**361,865**	272,051	213,217
EQUITY						
Capital and Reserves						
Share capital	22	**161,863**	161,863	**161,863**	161,863	161,863
Fair value reserve	23	**4,266**	8,795	**1,030**	645	572
Retained profits	24,40	**215,323**	158,939	**198,958**	109,529	51,061
Currency translation reserve	25	**9,077**	3,594	**14**	14	(279)
		390,529	333,191	**361,865**	272,051	213,217
Non-controlling interests		**14,164**	13,456	**–**	–	–
Total equity		**404,693**	346,647	**361,865**	272,051	213,217

* please refer to Note 40 of the financial statements

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

		The Group	
		Year ended 31 January 2012	Year ended 31 January 2011
	Note	**$'000**	$'000
Revenue	3,34	**136,398**	272,164
Cost of sales	27	**(29,201)**	(167,051)
Gross profit		**107,197**	105,113
Other operating income	26(a)	**8,524**	5,497
Distribution costs		**(3,363)**	(856)
Administrative costs	26(b)	**(18,319)**	(22,120)
Change in fair value of derivative financial instrument	21	**(2,197)**	(93)
Other operating expenses	26(c)	**(15,508)**	(10,206)
Finance costs	26(d)	**(437)**	(637)
Profit from operations		**75,897**	76,698
Share of results of joint ventures and an associated company		**26,736**	23,755
Profit before taxation	27	**102,633**	100,453
Taxation	28	**(14,284)**	(16,766)
Profit after taxation for the year		**88,349**	83,687
Other comprehensive income:			
Currency translation gain/(loss)		**5,581**	(502)
Financial assets, available-for-sale			
- fair value (losses)/gains recognised in fair value reserve	5, 23	**(5)**	7,139
- fair value gains recycled from fair value reserve to consolidated income statement on derecognition	23,26(a)	**(4,524)**	(1,581)
Other comprehensive income for the year, net of tax		**1,052**	5,056
Total comprehensive income for the year		**89,401**	88,743
Profit attributable to:			
Owners of the parent	29	**85,936**	81,742
Non-controlling interests		**2,413**	1,945
		88,349	83,687
Total comprehensive income attributable to:			
Owners of the parent		**86,890**	86,639
Non-controlling interests		**2,511**	2,104
		89,401	88,743
Earnings per share (cents)	29		
- basic		**11.63**	11.06
- diluted		**11.63**	11.06

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 2012

	Note	Share capital $'000	Fair value reserve $'000	Retained profits $'000	Currency translation reserve $'000	Total attributable to owners of the parent $'000	Non–controlling interests $'000	Total $'000
Balance at 1 February 2010		161,863	3,237	99,361	4,255	268,716	11,824	280,540
Total comprehensive income/ (loss) for the year		–	5,558	81,742	(661)	86,639	2,104	88,743
Dividends paid in respect of financial year ended 31 January 2010	32	–	–	(22,164)	–	(22,164)	(472)	(22,636)
Balance at 31 January 2011		**161,863**	**8,795**	**158,939**	**3,594**	**333,191**	**13,456**	**346,647**
Total comprehensive income/ (loss) for the year		**–**	**(4,529)**	**85,936**	**5,483**	**86,890**	**2,511**	**89,401**
Dividends paid in respect of financial year ended 31 January 2011	32	**–**	**–**	**(29,552)**	**–**	**(29,552)**	**(1,803)**	**(31,355)**
Balance at 31 January 2012		**161,863**	**4,266**	**215,323**	**9,077**	**390,529**	**14,164**	**404,693**

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

	Year ended 31 January 2012 $'000	Year ended 31 January 2011 $'000
Cash Flows from Operating Activities		
Profit before taxation	**102,633**	100,453
Adjustments for:		
Share of results of joint ventures and an associated company	**(26,736)**	(23,755)
Depreciation of:		
- investment properties	**725**	733
- property, plant and equipment	**4,960**	4,155
(Gain)/loss on disposal of:		
- investment properties	**(504)**	(211)
- property, plant and equipment	**26**	(13)
Property, plant and equipment written off	**1,168**	42
Impairment loss on available-for-sale financial assets	**4,453**	–
Fair value gains recycled from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	**(4,524)**	(1,581)
Fair value loss on financial assets at fair value through profit or loss	**1,535**	124
Goodwill written off	**39**	–
Change in fair value of derivative financial instrument	**2,197**	93
Interest expense	**437**	637
Interest income	**(526)**	(776)
Operating profit before working capital changes	**85,883**	79,901
Inventories and work-in-progress	**545**	(270)
Development properties	**(785,128)**	–
Receivables	**49,661**	14,122
Payables	**(57,383)**	(70,909)
Cash (used in)/generated from operations	**(706,422)**	22,844
Interest paid	**(306)**	(576)
Income tax paid	**(14,039)**	(2,869)
Net cash (used in)/generated from operating activities	**(720,767)**	19,399
Balance carried forward	**(720,767)**	19,399

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

Consolidated Statement of Cash Flows (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

	Year ended 31 January 2012 $'000	Year ended 31 January 2011 $'000
Balance brought forward	**(720,767)**	19,399
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	**(4,902)**	(3,127)
Acquisition of quoted equity investments	**(7,317)**	(29,902)
Acquisition of investment properties	**(6)**	(52)
Interest received	**526**	776
Advances and loans to joint ventures and an associated company	**(7,987)**	(14,527)
Dividends from joint ventures	**44,700**	25,250
Proceeds from return of loan of joint ventures	**17,153**	11,073
Proceeds from disposal of quoted equity investments	**24,124**	16,896
Proceeds from disposal of property, plant and equipment	**7**	77
Proceeds from disposal of investment properties	**1,455**	671
Net cash outflow on acquisition of a subsidiary (Note A)	**(1,489)**	–
Net cash generated from investing activities	**66,264**	7,135
Cash Flows from Financing Activities		
Dividends paid to shareholders of the Company	**(29,552)**	(22,164)
Dividends paid to non-controlling shareholders of a subsidiary	**(1,803)**	(472)
Loans from non-controlling shareholders of a subsidiary	**41,804**	–
Proceeds from bank borrowings	**587,493**	–
Repayment of bank borrowings	**(30,743)**	(6,001)
Net cash generated from/(used in) financing activities	**567,199**	(28,637)
Net decrease in cash and cash equivalents	**(87,304)**	(2,103)
Cash and cash equivalents at beginning of year	**120,323**	122,709
Exchange differences on translations of cash and cash equivalents at beginning of year	**(131)**	(283)
Cash and cash equivalents at end of year (Note 4)	**32,888**	120,323

Note A. Acquisition of a subsidiary

During the financial year ended 31 January 2012, the Group acquired a subsidiary. The carrying value of assets acquired of and liabilities assumed were as follows:

	2012 $'000	2011 $'000
Net assets/(liabilities) acquired		
Property, plant and equipment [Note14(ii)]	**1,432**	–
Current assets	**161**	–
Bank overdraft	**(231)**	–
Current liabilities	**(143)**	–
	1,219	–
Goodwill on acquisition written off	**39**	–
Purchase consideration	**1,258**	–
Less:		
Bank overdraft	**231**	–
Cash outflow on acquisition	**1,489**	–

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

1 General information

The financial statements of the Group and of the Company for the financial year ended 31 January 2012 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company was incorporated and domiciled in 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 are those of general building contractors and investment holding. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The immediate and ultimate holding company of the Company is Consistent Record Sdn. Bhd., 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.

All financial information is presented in Singapore Dollar ("$"), unless otherwise stated.

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 higher degree of judgement are described below:

Critical judgements made and assumptions used in applying accounting policies

Impairment of available-for-sale financial assets (Note 5)

As at the end of the reporting period, to the extent of the fair values of certain equity securities classified as available-for-sale financial assets that have declined below the cost by $4,453,000, the Group has made a judgement that this decline is significant or prolonged. In making this judgement, the Group has considered, among other factors, the duration of the decline, the magnitude by which the fair values of the investments are below cost; and the financial health and business outlook of the investees.

If the decline in fair values below cost was considered not significant or prolonged, the Group's profit would increase by $4,453,000.

Construction contracts (Note 7)

The Group 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.

2(a) Basis of preparation (cont'd)

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

Construction contracts (Note 7) (cont'd)

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and architect's certificate of value of work done to date.

If the contract costs to be incurred increase/decrease by 10% from management's estimates, the Group's profit will decrease/increase by $7,485,000.

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. In estimating the total costs for construction contracts, management makes reference to information such as:

(a) Current offers from contractors and suppliers;

(b) Recent offers agreed with contractors and suppliers; and

(c) Professional estimation on construction and material costs.

Carrying value of development properties (Note 9)

Significant judgement is required in assessing the recoverability of the carrying value of development properties. Analysis has been carried out based on assumptions regarding the selling price and costs of properties. Significant judgement is required in determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded and the experience of qualified project managers.

If the contract costs to be incurred increase/decrease by 10% from management's estimates, the Group's profit will decrease/increase by $303,000.

Impairment in investment in subsidiaries (Note 12)

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.

Depreciation of investment properties (Note 13)

Investment properties of the Group and the Company are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the investment properties to be within 10 to 99 years. The carrying amounts of the Group's and the Company's investment properties as at 31 January 2012 are $9,266,000 and $7,101,000 respectively.

Depreciation of property, plant and equipment (Note 14)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be within 3 to 99 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 January 2012 are $65,812,000 and $5,320,000 respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2(a) Basis of preparation (cont'd)

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

Classification of properties (Note 13 and Note 14)

The Group determines whether a property is classified as investment property or development property:

- Investment properties comprise land and buildings (principally offices and commercial warehouse) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Development properties comprise properties that are held for sale in the ordinary course of business. Principally, these are residential, offices and retail properties that the Group develops and intends to sell before or on completion of construction.

Critical assumptions used and accounting estimates in applying accounting policies

Allowance for bad and doubtful debts (Note 6)

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.

Income tax (Note 15 and Note 28)

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the 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.

2(b) Interpretations and amendments to published standards effective in 2012

On 1 February 2011, the Group adopted the new or amended FRS and INT FRS, where relevant to the Group, that are mandatory for application from that date are as follows:

FRS 24 (revised)	Related Party Disclosures
Amendments to FRS 32	Classification of Rights Issues
Amendments to FRS 101	Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement
INT FRS 115	Agreements for the Construction of Real Estate
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments
Improvements to FRSs 2010	

The adoption of the above new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies nor had any significant impact on the amounts reported for the current or prior financial years.

2(c) FRS issued but not yet effective

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

		Effective date (Annual periods beginning on or after)
FRS 1 (Amendments)	Presentation of Items of Other Comprehensive Income	1.7.2012
FRS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets	1.1.2012
FRS 19	Employee Benefits	1.1.2013
FRS 27	Separate Financial Statements	1.1.2013
FRS 28	Investments in Associates and Joint Ventures	1.1.2013
FRS 32 (Amendments)	Offsetting of Financial Assets and Financial Liabilities	1.1.2014
FRS 101 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1.7.2011
FRS 107 (Amendments)	Disclosures - Transfers of Financial Assets	1.7.2011
	Offsetting of Financial Assets and Financial Liabilities	1.1.2013
FRS 110	Consolidated Financial Statements	1.1.2013
FRS 111	Joint Arrangements	1.1.2013
FRS 112	Disclosure of Interests in Other Entities	1.1.2013
FRS 113	Fair Value Measurements	1.1.2013

The directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Group in the period of their initial adoption.

2(d) 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. Information on its subsidiaries is given in Note 12 to the financial statements.

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights, if any, that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

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

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

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

Consolidation (cont'd)

Acquisition of businesses

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

Disposals of subsidiaries or businesses

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

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in consolidated income statement.

Transactions with non-controlling interests

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

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 using the straight-line method over its remaining lease period of between 10 to 99 years. 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 consolidated income statement. The cost of maintenance, repairs and minor improvement is charged to the consolidated income statement when incurred.

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

Investment properties (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the consolidated income statement.

Transfers are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation, or commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method to write off the cost 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
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 once in 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.

When an asset is revalued, any increase in the carrying amount is credited directly to revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings when the asset is de-recognised.

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.

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

Property, plant and equipment and depreciation (cont'd)

Subsequent expenditure relating to a property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The residual values, if any, and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at the end of each reporting period. The useful lives and depreciation method are reviewed 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.

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

Subsidiaries

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether there is control.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses on an individual subsidiary basis. On disposal of an investment in subsidiary, the difference between disposal proceeds and the carrying amount of the investment is recognised in the consolidated income statement.

Associated companies

An associated company is defined as a company, not being a subsidiary or jointly controlled entity, in which the Group or the Company has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the Group or the Company holds between 20% and 50% of the voting power of another entity.

Investments in associated companies at company level are stated at cost. Allowance is made for any impairment losses on an individual company basis.

In applying the equity method of accounting, the Group's share of the post-acquisition profit or loss of associated companies, based on the latest available audited financial statements, is included in the consolidated income statement and its shares of post-acquisition other comprehensive income is recognised in other comprehensive income. 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 Group's share of losses of an associated company equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associated companies to satisfy obligations of the associated companies that the Group has guaranteed or otherwise committed, for example, in the forms of loans. When the associated companies subsequently report profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

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

Associated companies (cont'd)

The Group's share of the net assets and post-acquisition retained profits and reserves of associated companies is reflected in the book values of the investments in the consolidated statement of financial position.

Where the accounting policies of an associated company do not conform to 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 companies is accounted for in accordance with the accounting policy on "Consolidation".

When financial statements of associated companies with different reporting dates are used (not more than three months apart), if any, 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 end of reporting period.

Joint ventures

Investments in joint ventures at company level are stated at deemed cost. Interest in joint ventures, other than subsidiaries, is accounted for similar to an associated company using the equity method. Refer to the accounting policy on "Associated companies".

Financial assets

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 assets 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 upon initial recognition is not revocable unless in rare circumstances as specified in the amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value.

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 the end of each reporting period 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 the consolidated income statement when received, regardless of how the related carrying amount of financial assets is measured.

As at the end of the reporting period, the Group has loans and receivables and investments in quoted equity shares and unquoted equity shares which are classified as financial assets at fair value through profit or loss or available-for-sale financial assets on its statements of financial position. The Group does not designate any financial assets as held-to-maturity investments.

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

Financial assets (cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in consolidated income statement.

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 Group provides 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 end of reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, related party balances and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or writeback is recognised in the consolidated income statement.

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 end of reporting period.

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 consolidated income statement for the period.

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 consolidated 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 the consolidated 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 the consolidated income statement.

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

Financial assets (cont'd)

Available-for-sale financial assets (cont'd)

Impairment losses recognised in the consolidated income statement for equity investments classified as available-for-sale are not subsequently reversed through the consolidated income statement. Impairment losses recognised in the consolidated income statement for debt instruments classified as available-for-sale are subsequently reversed in the consolidated 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.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

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 Group 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 and valuation models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Derivatives financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The Group enters into an interest rate swap derivative contract to manage exposure arising from fluctuations in interest rates. The derivative financial instrument does not qualify for hedge accounting and accordingly, the change in fair value of the derivative financial instrument is recognised in the consolidated income statement.

Development properties

Development properties are properties being constructed or developed for future sale. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Capitalisation of borrowing costs ceases on issue of Temporary Occupation Permit. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

Development properties are initially stated at cost plus attributable profit less progress billings. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as an asset. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as a liability.

Unsold development properties

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

Sold development properties

Revenue and cost on development properties that have been sold, if any, are recognised using the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to-date to the estimated total costs for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

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

Inventories

Inventories are carried 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.

Write-down is made, where necessary, for obsolete, slow-moving or defective inventories 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

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contracts costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the percentage of completion method. Contract costs comprise materials, direct labour, sub-contractors' cost and an appropriate proportion of overheads.

The percentage of completion is based on architect's 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

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank deposits net of any bank overdrafts, if any, which are repayable on demand and which form an integral part of cash management. Bank overdrafts, if any, are presented as current borrowings on the statements of financial position.

Share capital

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

Financial liabilities

The Group's financial liabilities include bank borrowings, trade and other payables, and related party balances.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance costs" in the consolidated income statement. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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 consolidated income statement over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

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

Financial liabilities (cont'd)

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

Trade and other payables are initially recognised 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. 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, are initially recognised at their fair value plus transaction costs in the statements of financial position.

Financial guarantee contracts are subsequently amortised to the consolidated 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.

Operating leases

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

Where the Group is the lessee

Rentals on operating leases are charged to the consolidated 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 of lease, if any, are recognised in the consolidated income statement when incurred.

Where the Group is the lessor

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

Provisions

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

The management reviews 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, 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.

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

Employee benefits

Pension obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to CPF or other defined contribution plans are charged to the consolidated 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 estimated liability of the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

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

Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

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

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

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

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

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period 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. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the consolidated 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 consolidated income statement, a reversal of that impairment loss is recognised as income in the consolidated income statement.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred or services rendered to the buyer. Revenue excludes goods and services taxes or value-added 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.

<u>Construction contracts</u>

Revenue from construction contracts is recognised using the percentage of completion method based on architect's certification of construction work completed.

<u>Hotel management services</u>

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

<u>Rental income</u>

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.

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

Revenue recognition (cont'd)

Development properties for sale

Revenue from sales of development properties is recognised when the Group has delivered the relevant properties to the purchaser and collectability of related receivable is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statements of financial position under current liabilities - trade and other payables.

During the financial year ended 31 January 2012, no revenue from sales of development properties have been recognised.

Hotel and restaurant operations

Revenue from hotel and restaurant operations is recognised when services are rendered.

Interest income

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

Dividend income

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

Functional and presentation currency

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

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the consolidated income statement, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the consolidated income statement as part of the gain or loss on disposal of the foreign operation.

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.

Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

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

Conversion of foreign currencies (cont'd)

<u>Group entities</u>

The results and financial positions 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 end of reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability. Interim dividends, if any, are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the managing director who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

Financial instruments

Financial instruments carried on the statements of financial position 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 recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 36.

3 Revenue

Revenue of the Company represents mainly revenue from construction and development projects.

Revenue of the Group includes revenue from hotel management services and operations, rental income and excludes inter-company transactions, and applicable goods and services taxes or value-added-taxes. The segment analysis of the Group is disclosed in Note 34 to the financial statements.

4 Cash and cash equivalents

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Fixed deposits	**5,427**	94,328	**–**	90,597
Cash and bank balances	**27,461**	25,995	**3,192**	15,484
	32,888	120,323	**3,192**	106,081

Cash and cash equivalents are denominated in the following currencies:

Singapore dollar	**21,419**	108,473	**2,995**	105,964
United States dollar	**213**	1,009	**19**	4
Australian dollar	**4,199**	4,151	**90**	85
Malaysian Ringgit	**2,063**	1,314	**88**	28
Chinese Renminbi	**4,994**	5,376	**–**	–
	32,888	120,323	**3,192**	106,081

The fixed deposits earn an effective interest rate of 1.91% (2011 - 0.66%) per annum which mature on varying dates between 1 February 2012 and 21 June 2012 (2011 - 14 February 2011 and 29 May 2011).

Included in cash and bank balances of the Group of $27,461,000 (2011 - $25,995,000) is a sum of $65,000 (2011 - Nil) maintained in a project account with a financial institution. The fund in the said project account can only be applied in accordance with Housing Developers (Project Account) Rules 1997.

5 Investments

		The Group		The Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
(a) Current					
Financial assets at fair value through profit or loss					
- quoted equity investments					
Balance at beginning of year		**1,976**	–	**–**	–
Additions		**7,196**	4,902	**–**	–
Disposals		**(3,539)**	(2,802)	**–**	–
Fair value loss recognised in consolidated income statement		**(1,535)**	(124)	**–**	–
Balance at end of year, at fair value		**4,098**	1,976	**–**	–
Market value of quoted equity investments		**4,098**	1,976	–	–
(b) Non-current					
Available-for-sale financial assets					
- quoted equity investments					
Balance at beginning of year		**70,276**	52,134	**1,589**	2,347
Additions		**121**	25,000	**–**	–
Disposals		**(20,585)**	(14,094)	**–**	(1,468)
Exchange translation difference		**–**	97	**–**	78
Fair value (losses)/gains recognised in other comprehensive income (Note 23)		**(5)**	7,139	**385**	632
Impairment losses [Note 26(c)]		**(4,453)**	–	**–**	–
Balance at end of year, at fair value		**45,354**	70,276	**1,974**	1,589
Market value of quoted equity investments	(i)	**45,354**	70,276	**1,974**	1,589
Available-for-sale financial assets					
- unquoted equity investment, at cost		**1,734**	1,734	**–**	–
Less:					
Allowance for impairment loss					
Balance at beginning of year		**(1,734)**	(2,559)	**–**	–
Allowance written off		**–**	825	**–**	–
Balance at end of year	(ii)	**(1,734)**	(1,734)	**–**	–
		–	–	**–**	–
Total	(i) + (ii)	**45,354**	70,276	**1,974**	1,589

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

The unquoted equity investment carried at cost relates to an investment in an unquoted company, Global Dial Pty Ltd, which is incorporated in Australia, held by a subsidiary. 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.

6 Trade and other receivables

		The Group		The Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Trade receivables					
- third parties		**37,624**	37,274	**32,934**	33,636
- joint ventures		**1,582**	4,024	**1,582**	4,024
		39,206	41,298	**34,516**	37,660
Allowance for impairment of trade receivables					
Balance at beginning of year		**(6)**	(11)	**–**	–
Allowance written off		**2**	5	**–**	–
Exchange translation difference		*****	*	**–**	–
Balance at end of year		**(4)**	(6)	**–**	–
Net trade receivables	(i)	**39,202**	41,292	**34,516**	37,660
Advances		**41**	–	**–**	–
Staff loans		**3**	2	**3**	2
Interest receivable		**3**	50	**–**	50
Deposits		**515**	252	**193**	127
Tender deposit - purchase of development land		**–**	43,494	**–**	–
Prepayments		**722**	721	**20**	27
Recoverable expenses		**–**	50	**–**	50
Tax recoverable		**11**	7	**–**	–
Sundry debtors		**608**	288	**–**	–
		1,903	44,864	**216**	256
Impairment loss on other receivables					
Balance at beginning of year		**(52)**	(44)	**(52)**	(44)
Allowance for the year (Note 27)		**–**	(19)	**–**	(19)
Allowance written off		**51**	3	**51**	3
Allowance no longer required (Note 27)		**1**	8	**1**	8
Balance at end of year		**–**	(52)	**–**	(52)
Net other receivables	(ii)	**1,903**	44,812	**216**	204
Total	(i) + (ii)	**41,105**	86,104	**34,732**	37,864

Trade and other receivables are denominated in the following currencies:

Singapore dollar	**35,137**	81,522	**34,732**	37,864
United States dollar	**1,024**	658	**–**	–
Australian dollar	**4,416**	3,621	**–**	–
Chinese Renminbi	**260**	285	**–**	–
Malaysian Ringgit	**268**	18	**–**	–
	41,105	86,104	**34,732**	37,864

* represents amount less than $500

6 Trade and other receivables (cont'd)

All trade and other receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days (2011 - 30 days and 90 days). However, the Group does 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 joint ventures, include retention money of $16,844,000 (2011- $33,076,000) owing from construction work.

The trade receivables ageing are generally between 30 days and 90 days (2011 - 30 days and 90 days), excluding the retention money withheld. Retention money from construction works withheld will be paid upon the issuance of maintenance certificates from architects.

The ageing analysis of trade receivables past due but not impaired, excluding retention money, is as follows:

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

Trade receivables that are neither past due nor impaired are substantially customers with a good track collection record with the Group and the Company.

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current	**22,007**	8,054	**17,672**	4,584

(ii) Financial assets that are past due but not impaired

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

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Past due 0 to 3 months	**313**	148	**–**	–
Past due 3 to 6 months	**38**	14	**–**	–
Past due over 6 months	**–**	–	**–**	–
	351	162	**–**	–

(iii) Financial assets that are past due and impaired

The ageing analysis of trade receivables past due and impaired is as follows:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Past due over 6 months	**4**	6	**–**	–

The directors of the Company is of the opinion that no impairment is necessary in respect of trade receivables not past due or past due over 6 months as these receivables are mainly arising from customers that have a good credit record in the Group and the Company.

Impairment on trade receivables is made on specific debts for which the directors of the Company are of the opinion that these debts are long outstanding and are not recoverable.

The staff loans are unsecured and interest-free and are repayable within 12 months from the end of the reporting period.

7 Work-in-progress

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Construction costs	**13,818**	799,626	**624,837**	785,791
Attributable profits	**3,960**	125,337	**155,772**	121,377
	17,778	924,963	**780,609**	907,168
Progress billings received and receivable	**(16,929)**	(923,638)	**(777,577)**	(906,710)
	849	1,325	**3,032**	458
Contract revenue recognised during the year	**82,505**	221,202	**82,505**	221,202
Contracts-in-progress at end of reporting period:				
Due from customers on construction contracts	**849**	1,325	**3,032**	458
Due to customers on construction contracts	**–**	–	**–**	–
	849	1,325	**3,032**	458
Included in construction costs are the following:				
Depreciation of property, plant and equipment (Note 14)	**110**	114	**110**	114
Directors' remuneration	**662**	660	**662**	660

8 Inventories

The Group	**2012** **$'000**	2011 $'000
At cost,		
Hotel supplies	**113**	112
Restaurant supplies	**407**	247
	520	359

The inventories charged to cost of sales relate only to hotel operations and restaurants for food and beverage sales for which the cost of goods is approximately $4,381,000 (2011 - $5,415,000).

9 Development properties

The Group	**2012 $'000**	2011 $'000
Land and other related costs	**788,367**	–
Development costs	**3,032**	–
	791,399	–
Less: Progress billings	**(6,271)**	–
	785,128	–

Interest costs of $10,926,000 (2011 - Nil) have been capitalised during the financial year ended 31 January 2012 at average rates ranging from 1.49% to 4.00% (2011 - Nil) per annum based on actual borrowing costs.

Details of development properties are as follows:

Name/Location		**Description of development**	**Tenure/ Group's interest in property**	**Site area (sq. metres)**	**Estimated gross floor area (sq. metres)**	***Stage of completion/ Expected date of completion**
(1)	Parkland Residences Upper Serangoon Road, Singapore	4 tower blocks of 18-storey with a total of 680 residential units	103-year leasehold land/ 100%	20,001	60,201	June 2014
(2)	Paya Lebar Square Paya Lebar Road/Eunos Road 8, Singapore	10-storey office tower above a 3-storey retail podium	99-year leasehold land/ 80%	14,852	62,378	November 2014

* no construction costs and attributable profits recognised yet as at the end of reporting period

As at the end of reporting period, all development properties of the Group have been pledged to financial institutions to secure bank borrowings (Note 20).

10 Joint ventures

(a) Non-current assets

		The Group		The Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Contributions made towards joint ventures:					
- Joint ventures		**17,555**	17,333	**12,587**	12,329
- Exchange fluctuation difference		**(108)**	(103)	**–**	258
		17,447	17,230	**12,587**	12,587
Share of retained profits in joint ventures		**48,588**	67,439	**48,544**	67,439
Reclassified from/(to) retained profits (Note 24)		**–**	–	**3,666**	(15,229)
At deemed cost	(i)	**66,035**	84,669	**64,797**	64,797
Amount owing by joint ventures (non-trade):					
- advances		**64,442**	64,442	**64,442**	64,442
- loans - interest-free		**15,750**	14,583	**15,750**	14,583
- interest-bearing		**–**	15,960	**–**	15,960
- interest on loans		**–**	959	**–**	959
- exchange fluctuation difference		**44**	–	**44**	–
	(ii)	**80,236**	95,944	**80,236**	95,944
Total	(i) + (ii)	**146,271**	180,613	**145,033**	160,741
Share of results in joint ventures, net of tax		**25,849**	23,488	**–**	–

(b) Non-current liabilities

		The Group		The Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Share of retained losses in joint venture		**900**	991	**879**	900
Reclassified to retained profits (Note 24)		**–**	–	**183**	162
Exchange fluctuation difference		**(21)**	(91)	**–**	–
		879	900	**1,062**	1,062
Provision for foreseeable losses					
Balance at beginning of year		**1,291**	1,423	**1,291**	1,423
Reclassified to retained profits (Note 24)		**–**	–	**(262)**	(293)
Exchange fluctuation difference		**(30)**	(131)	**(30)**	(131)
Balance at end of year		**1,261**	1,292	**999**	999
At deemed cost	(i)	**2,140**	2,192	**2,061**	2,061
Amount owing by joint venture (non-trade):					
- advances		**(1,745)**	(1,469)	**(1,745)**	(1,469)
- exchange fluctuation difference		**17**	134	**17**	134
	(ii)	**(1,728)**	(1,335)	**(1,728)**	(1,335)
Total	(i) + (ii)	**412**	857	**333**	726
Share of results of joint venture, net of tax		**–**	–	**–**	–

10 Joint ventures (cont'd)

The summarised information of joint ventures, not adjusted for the percentage ownership held by the Group, are as follows:

The Group	2012 $'000	2011 $'000
- Assets	**585,024**	807,031
- Liabilities	**374,796**	517,986
- Revenue	**446,042**	182,449
- Net profit after taxation	**217,865**	79,384
Share of joint ventures' commitments	**4,203**	11,589

The non-trade advances and loans owing by joint ventures have no fixed terms of repayments. They are unsecured and are neither planned nor likely to be settled in the foreseeable future. Because they represent advances and loans with indeterminable repayments, it is not practicable to determine the fair value of these amounts owing.

In respect of the interest-bearing loans made to joint ventures, interest is charged at a rate of 0.38% (2011 - ranged from 0.6% to 2.5%) per annum. In the opinion of the directors of the Company, the interest rates are carried at commercial terms.

During the financial year ended 31 January 2012, the dividends received by the Group from joint ventures amounted to $44,700,000 (2011 - $25,250,000).

The non-trade amount owing by joint ventures is denominated in the following currencies:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore dollar	**70,164**	87,283	**70,164**	87,283
Malaysian Ringgit	**10,072**	8,661	**10,072**	8,661
United States dollar	**1,728**	1,335	**1,728**	1,335
	81,964	97,279	**81,964**	97,279

10 Joint ventures (cont'd)

Details of the joint ventures are as follows:

	Name	Country of incorporation/ principal place of business	Effective percentage of equity held		Principal activities
			2012	2011	
			%	%	
	LKH - C.A.T. Joint Venture	Singapore	***51**	*51	In liquidation
#	Kings & Queens Development Pte. Ltd.	Singapore	**30**	30	Developed Twin Regency on three adjoining parcels of land at Kim Tian Road and redeveloped South Bank on the former Eng Cheong Tower along North Bridge Road
#	Regency One Development Pte. Ltd.	Singapore	**20**	20	Developed Regency Suite on a parcel of land at Kim Tian Road
^	Valley Development Pte. Ltd.	Singapore	**40**	40	In liquidation
^	Vista Development Pte. Ltd.	Singapore	**20**	20	In liquidation
#	Duchess Walk Pte. Ltd.	Singapore	**30**	30	Developed Duchess Residences on a parcel of land at Duchess Avenue
^	Peak Garden Pte. Ltd.	Singapore	**40**	40	Developed the Minton on a parcel of land at Hougang Street 11
^^	Bina Meganmas Sdn. Bhd.	Malaysia	**49**	49	Build bungalow lots at Bandar Seri Alam, Johor
##	Promatik Emas Sdn. Bhd.	Malaysia	**25**	25	Developed Panaroma, a parcel of land at Persiaran Hampshire, KL
##	Suasana Simfoni Sdn. Bhd.	Malaysia	**20**	20	To develop condominium on a parcel of land at Jalan Conlay in KL
+	OSC - Duxton (Vietnam) Joint Venture Company Limited	Vietnam	**75**	75	To develop residential apartments, office building and a five-star hotel at Front Beach, Vung Tau City, Vietnam

* This joint venture is a jointly-controlled operation.
^ Audited by KPMG LLP, Singapore
^^ Audited by Yee Choon Kong & Co., Malaysia
\# Audited by PricewaterhouseCoopers LLP, Singapore
\## Audited by PricewaterhouseCoopers, Malaysia
\+ Interest held through a subsidiary and audited by Ernst & Young LLP, Vietnam

11 Associated company

The Group		2012 $'000	2011 $'000
Unquoted equity investment, at cost	(i)	**5,310**	5,310
Share of post-acquisition profits		**1,687**	800
Share of other post-acquisition reserves		**–**	175
Exchange fluctuation difference		**(270)**	(270)
	(ii)	**1,417**	705
Amount owing by associated company (non-trade)			
- interest-free loans	(iii)	**11,439**	6,652
	(i) + (ii) + (iii)	**18,166**	12,667
Share of associated company's results, net of tax		**887**	267

The summarised information of the associated company, not adjusted for the percentage ownership held by the Group, is as follows:

	2012 $'000	2011 $'000
- Assets	**39,381**	25,747
- Liabilities	**25,651**	14,206
- Revenue	**6,983**	2,576
- Net profit after taxation	**2,190**	165

The non-trade loans owing by associated company have no fixed terms of repayment. They are unsecured, interest-free and are neither planned nor likely to be settled in the foreseeable future. Because they represent loans with indeterminable repayments, it is not practicable to determine the fair value of these amounts owing.

The non-trade amount owing by an associated company is denominated in Malaysian Ringgit.

Details of the associated company are as follows:

	Name	Country of incorporation/ principal place of business	Effective percentage of equity held		Principal activities
			2012 %	2011 %	
^	Binakawa Sdn. Bhd.	Malaysia	**49**	49	Property development and investment holding

^ Audited by Yee Choon Kong & Co., Malaysia

12 Subsidiaries

The Company		2012 $'000	2011 $'000
Unquoted equity investments, at cost		**6,762**	6,762
Impairment loss on investments in subsidiaries			
Balance at beginning and end of year		**(3,751)**	(3,751)
	(i)	**3,011**	3,011
Amounts owing by subsidiaries (non-trade):			
- interest-free		**148,589**	146,590
- interest-bearing		**169,516**	1,893
		318,105	148,483
Impairment loss on receivables			
Balance at beginning of year		**(4,611)**	(4,931)
Allowance no longer required		**3,865**	320
Balance at end of year		**(746)**	(4,611)
	(ii)	**317,359**	143,872
Total	(i) + (ii)	**320,370**	146,883

The non-trade amounts owing by subsidiaries are denominated in the following currencies:

	2012 $'000	2011 $'000
Singapore dollar	**318,096**	146,688
Malaysian Ringgit	**9**	1,795
	318,105	148,483

The non-trade amounts owing by subsidiaries have no fixed terms of repayment. They represent advances which are unsecured and interest-free. They are neither planned nor likely to be settled in the foreseeable future. Because they represent advances with indeterminable repayments, 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 rates ranging from 2.5% to 4.0% (2011 - 2.5%) per annum to three (2011 - two) of the subsidiaries.

12 Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Cost of investments		Effective percentage of equity held		Principal activities
		2012	2011	**2012**	2011	
		$'000	$'000	**%**	%	
Subsidiaries held by the Company						
Kwan Hwee Investment Pte Ltd	Singapore	**3,230**	3,230	**100**	100	Property development and investment holding
Low Keng Huat International Pte Ltd	Singapore	**3,000**	3,000	**100**	100	Investment holding
Quality Investments Pte Ltd	Singapore	**500**	500	**100**	100	Investment holding
Prodev Pte Ltd	Singapore	**10**	10	**100**	100	Investment holding
LKH (Saigon) Pte. Ltd.	Singapore	**10**	10	**100**	100	Investment holding
Bali Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Dalton Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Duxton Hotel (Pte.) Ltd.	Singapore	*****	*	**100**	100	Hotel management services
Domitian Investment Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Thyme Saigon Pte Ltd	Singapore	*****	*	**100**	100	Investment holding
Vigor Investments Pte Ltd	Singapore	*****	*	**100**	100	Investment holding
LKH (Construction) Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Starworth Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Kendall Pte Ltd	Singapore	**1**	1	**75**	75	Investment holding
LKH (Cambodia) Ltd	Kingdom of Cambodia	**11**	11	**++100**	++100	Dormant
Siong Feng Development Pte. Ltd.	Singapore	*****	*	**100**	100	Investment holding
Huatland Development Pte. Ltd. (formerly known as Planet Development Pte. Ltd.)	Singapore	*****	*	**100**	100	Not commenced operations yet
East Peak Development Pte. Ltd.	Singapore	*****	*	**100**	100	Not commenced operations yet
Balance carried forward		**6,762**	6,762			

12 Subsidiaries (cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments		Effective percentage of equity held		Principal activities
			2012	2011	**2012**	2011	
			$'000	$'000	**%**	%	
	Balance brought forward		**6,762**	6,762			
	Subsidiary held by Bali Investment Pte. Ltd.						
#	Vista Mutiara Sdn Bhd	Malaysia	**+**	+	**100**	100	Investment holding
	Subsidiaries held by Starworth Pte. Ltd.						
	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	**+**	+	**100**	100	Restaurant
	Upper Club Pte. Ltd.	Singapore	**+**	+	**100**	100	To be liquidated
	22 Dempsey Pte. Ltd.	Singapore	**+**	-	**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		**6,762**	6,762			

12 Subsidiaries (cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments		Effective percentage of equity held		Principal activities
			2012	2011	**2012**	2011	
			$'000	$'000	**%**	%	
	Balance brought forward		**6,762**	6,762			
	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
	Pyline Pte Ltd	Singapore	**+**	+	**75**	75	Dormant
	Subsidiary held by Quality Investments Pte Ltd						
	Herman Investments Pte Ltd	Singapore	**+**	+	**100**	100	Investment holding
	Subsidiary held by Siong Feng Development Pte. Ltd.						
	Paya Lebar Development Pte. Ltd.	Singapore	**+**	–	**80**	–	Property development
			6,762	6,762			

* Represents amount less than $500
\# Audited by Yee Choon Kong & Co., Malaysia
** Audited by Ernst & Young LLP, Socialist Republic of Vietnam
^ Audited by PricewaterhouseCoopers LLP, Australia
^^ Audited by Shanghai Credental Certified Public Accountants Co., Ltd
\+ Interest held through subsidiaries
++ Includes deemed interest

On 30 June 2011, the Group acquired 100% equity interest in a subsidiary, 22 Dempsey Pte. Ltd. (formerly known as Oosh Pte. Ltd.) for a cash consideration of $1,258,000 for expansion of the Group's food and beverage business. The fair value of the net assets acquired approximated their book value. The effect of the acquisition to the Group's statement of financial position is disclosed in the consolidated cash flow statement (Note A). There was no intangible asset identified which was previously not recorded in the subsidiary.

The Group incurred acquisition-related costs of $16,000 relating to external legal fees and stamp duties. These costs have been included in administrative expenses in the Group's consolidated income statement.

The subsidiary acquired during the financial year ended 31 January 2012 contributed negative $1,793,000 to Group's profit for the year ended on that date. Had acquisition occurred on 1 February 2011, Group's revenue and profit would have been $137,101,000 and $102,264,000 respectively. The subsidiary's assets and liabilities at 31 January 2012 were $1,484,000 and $2,058,000 respectively.

In respect of the said acquisition of a subsidiary during the financial year ended 31 January 2012, goodwill of $39,000 has been written off to the consolidated income statement.

13 Investment properties

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Cost				
Balance at beginning of year	**21,058**	21,430	**16,877**	16,825
Additions	**6**	52	**6**	52
Disposals	**(1,007)**	(460)	**–**	–
Exchange translation difference	**–**	36	**–**	–
Balance at end of year	**20,057**	21,058	**16,883**	16,877
Accumulated depreciation				
Balance at beginning of year	**10,122**	9,387	**9,097**	8,413
Depreciation for the year	**725**	733	**685**	684
Disposals	**(56)**	(*)	**–**	–
Exchange translation difference	**–**	2	**–**	–
Balance at end of year	**10,791**	10,122	**9,782**	9,097
Net book value	**9,266**	10,936	**7,101**	7,780
Fair value	**17,319**	18,828	**11,345**	11,345

* Represents amount less than $500

(a) Investment properties are leased to related and non-related parties under operating leases [Note 33.1(b)].

(b) During the financial year ended 31 January 2012, investment properties (which principally comprised 10 units of freehold residential apartments) located at Lot 262, Mukim of Ampang, Wilayah Persekutuan held under Geran 5813, Selangor, West Malaysia costing $1,007,000 (RM2,399,000) were sold to third parties for a consideration of $1,465,000 (RM3,487,000) at a gain of $504,000 (RM1,200,000) [Note 26(a)].

(c) The following amounts are recognised in the consolidated income statement:

The Group	Note	**2012** **$'000**	2011 $'000
Income			
Rental income included in:			
- revenue		**2,234**	1,844
- other operating income	26(a)	**90**	71
Expenses			
Depreciation	27	**725**	733
Maintenance fee		**54**	101
Property tax		**199**	190
Licence fee		**136**	130

13 Investment properties (cont'd)

(d) The investment properties held by the Group, comprise:

Location	Description	Area (sq. metres)	Tenure	Net book value ($'000)
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
80 Marine Parade Road 18th Floor of Parkway Parade, Singapore [(2)]	4 office units	468	99 years lease commencing 17 August 1979	2,165
1790 PT Plot A14609, Sungei Kadut Loop, Singapore [(3)]	Warehouse	4,620	30 years lease commencing 1 March 1995	3,661
				9,266

Notes:

(1) As at 28 July 2010, this vacant land was valued by a firm of independent professional valuers, Knight Frank, to be RM11,800,000 ($5,039,000) on the basis of open market value.

(2) As at 1 September 2010, these 4 office units located at 80 Marine Parade Road were valued by a firm of independent professional valuers, Knight Frank, to be $5,974,000 on the basis of open market value.

(3) As at 1 September 2010, this warehouse was valued by a firm of independent professional valuers, Knight Frank, on the basis of open market to be $6,306,000. Subsequent to the end of reporting period, the Group has entered into a conditional sale & purchase agreement to sell the said warehouse, together with that held as leasehold properties [Note 14(ii)(a)] to a third party, for a consideration of $10,000,000 (Note 39). The sale is subject to the approval of JTC Corporation of Singapore.

The directors of the Company are of the view that there is no significant change in the market values of the above properties from the respective valuation dates to 31 January 2012.

14 Property, plant and equipment

(i) Properties

The Group	Freehold property $'000	Leasehold properties $'000	Sub-total $'000
Cost			
At 1 February 2010	28,783	36,649	65,432
Additions	–	378	378
Exchange translation difference	428	(3,052)	(2,624)
At 31 January 2011	**29,211**	**33,975**	**63,186**
Additions	**–**	**26**	**26**
Exchange translation difference	**1,068**	**(724)**	**344**
At 31 January 2012	**30,279**	**33,277**	**63,556**
Accumulated depreciation			
At 1 February 2010	2,310	14,714	17,024
Depreciation for the year	251	922	1,173
Exchange translation difference	43	(1,291)	(1,248)
At 31 January 2011	**2,604**	**14,345**	**16,949**
Depreciation for the year	**261**	**903**	**1,164**
Exchange translation difference	**112**	**(312)**	**(200)**
At 31 January 2012	**2,977**	**14,936**	**17,913**
Net book value			
At 31 January 2012	**27,302**	**18,341**	**45,643**
At 31 January 2011	26,607	19,630	46,237

14 Property, plant and equipment (cont'd)

(ii) Other property, plant and equipment

The Group	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Sub–total $'000	Total $'000
Cost						
At 1 February 2010	39,568	2,091	8,186	1,240	51,085	116,517
Additions	2,110	313	207	119	2,749	3,127
Disposals	(259)	(64)	–	(367)	(690)	(690)
Exchange translation difference	587	(26)	(393)	–	168	(2,456)
At 31 January 2011	**42,006**	**2,314**	**8,000**	**992**	**53,312**	**116,498**
On acquisition of a subsidiary	**109**	**–**	**52**	**1,271**	**1,432**	**1,432**
Additions	**2,684**	**45**	**494**	**1,653**	**4,876**	**4,902**
Disposals	**(1,489)**	**–**	**(136)**	**(1,271)**	**(2,896)**	**(2,896)**
Exchange translation difference	**1,557**	**(6)**	**(35)**	**–**	**1,516**	**1,860**
At 31 January 2012	**44,867**	**2,353**	**8,375**	**2,645**	**58,240**	**121,796**
Accumulated depreciation						
At 1 February 2010	25,117	667	5,482	972	32,238	49,262
Depreciation for the year	1,656	231	1,051	158	3,096	4,269
Disposals	(213)	(16)	–	(355)	(584)	(584)
Exchange translation difference	385	(12)	(249)	–	124	(1,124)
At 31 January 2011	**26,945**	**870**	**6,284**	**775**	**34,874**	**51,823**
Depreciation for the year	**2,338**	**256**	**998**	**314**	**3,906**	**5,070**
Disposals	**(1,429)**	**–**	**(127)**	**(139)**	**(1,695)**	**(1,695)**
Exchange translation difference	**1,008**	**(3)**	**(19)**	**–**	**986**	**786**
At 31 January 2012	**28,862**	**1,123**	**7,136**	**950**	**38,071**	**55,984**
Net book value						
At 31 January 2012	**16,005**	**1,230**	**1,239**	**1,695**	**20,169**	**65,812**
At 31 January 2011	15,061	1,444	1,716	217	18,438	64,675

14 Property, plant and equipment (cont'd)

(ii) Other property, plant and equipment (cont'd)

The Company	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Total $'000
Cost						
At 1 February 2010	8,207	1,900	1,811	1,974	60	13,952
Additions	–	–	313	4	–	317
Disposals	–	(67)	(65)	–	–	(132)
At 31 January 2011	**8,207**	**1,833**	**2,059**	**1,978**	**60**	**14,137**
Additions	**–**	**4**	**–**	**11**	**–**	**15**
At 31 January 2012	**8,207**	**1,837**	**2,059**	**1,989**	**60**	**14,152**
Accumulated depreciation						
At 1 February 2010	3,556	1,828	568	1,719	60	7,731
Depreciation for the year	324	11	173	74	–	582
Disposals	–	(67)	(15)	–	–	(82)
At 31 January 2011	**3,880**	**1,772**	**726**	**1,793**	**60**	**8,231**
Depreciation for the year	**324**	**12**	**201**	**64**	**–**	**601**
At 31 January 2012	**4,204**	**1,784**	**927**	**1,857**	**60**	**8,832**
Net book value						
At 31 January 2012	**4,003**	**53**	**1,132**	**132**	**–**	**5,320**
At 31 January 2011	4,327	61	1,333	185	–	5,906

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Depreciation expense charged to:				
Work-in-progress (Note 7)				
- current year	**110**	114	**110**	114
Consolidated income statement (Note 27)	**4,960**	4,155	**491**	468
	5,070	4,269	**601**	582

14 Property, plant and equipment (cont'd)

(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	3,410	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 Colliers International Consultancy and Valuation Pty Limited, Australia to be A$104,000,000 ($78,195,000) on 7 July 2010. This valuation was not incorporated in the financial statements.

(ii) (a) The leasehold properties comprise:

Location	Description	Area (sq. metres)	Tenure	Net book value ($'000)
63 Nguyen Hue, Ho Chi Minh City Socialist Republic of Vietnam (1)	198-room hotel	2,002	50 years lease commencing 25 September 1992	14,213
1790 PT Plot A14609, Sungei Kadut Loop, Singapore (2)	Warehouse	3,439	30 years lease commencing 1 March 1995	1,090
Long Hua Garden 26 Block B, No. 585 Long Wu Road Shanghai 201201, People's Republic of China (3)	Office	194	50 years commencing 1995	123
80 Marine Parade Road 18th Floor of Parkway Parade Singapore (4)	5 office units	570	99 years lease commencing 17 August 1979	2,915
				18,341

Notes:

(1) On 12 July 2010, the leasehold property, Duxton Hotel Saigon located at 63 Nguyen Hue was valued by a firm of independent professional valuers, CB Richard Ellis, to be US$39,400,000 ($50,432,000) on the basis of open market value.

(2) As at 1 September 2010, the warehouse was valued by a firm of independent professional valuers, Knight Frank, to be $4,694,000 on the basis of open market value.

Subsequent to the end of reporting period, the Group has entered into a conditional sale & purchase agreement to sell the said warehouse, together with that held as investment properties [Note 13(d)] to a third party, for a consideration of $10,000,000 (Note 39). The sale is subject to the approval of JTC Corporation of Singapore.

(3) No valuation has been carried out on the office leasehold property in the People's Republic of China with net book value of $123,000 (2011 - $143,000) as the amount is regarded as insignificant in relation to the leasehold properties taken as a whole.

(4) As at 1 September 2010, these 5 office units located at 80 Marine Parade Road were valued by a firm of independent professional valuers, Knight Frank, to be $7,276,000 on the basis of open market value.
The directors of the Company are of the view that there is no significant change in the market values of the above properties from the respective valuation dates to 31 January 2012.

15 Deferred taxation

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deferred tax assets				
Balance at beginning of year	**497**	461	**–**	–
Transfer to income statement (Note 28)	**58**	59	**–**	–
Exchange fluctuation difference	**4**	(23)	**–**	–
Balance at end of year	**559**	497	**–**	–
To be recovered				
- within one year	**239**	–	**–**	–
- after one year	**320**	497	**–**	–
	559	497	**–**	–
Deferred tax liabilities				
Balance at beginning of year	**28**	569	**–**	541
Transfer to income statement (Note 28)	**(11)**	(541)	**–**	(541)
Balance at end of year	**17**	28	**–**	–
To be settled				
- within one year	**3**	11	**–**	–
- after one year	**14**	17	**–**	–
	17	28	**–**	–

The balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of property, plant and equipment $'000	Dividends and interest income not remitted $'000	Excess of tax written down value over net book value of property, plant and equipment $'000	Total $'000
At 1 February 2010	16	553	(461)	108
Credited to income statement (Note 28)	(2)	(539)	(59)	(600)
Exchange fluctuation difference	(*)	(*)	23	23
At 31 January 2011	**14**	**14**	**(497)**	**(469)**
Credited to income statement (Note 28)	**(11)**	**–**	**(58)**	**(69)**
Exchange fluctuation difference	**–**	**–**	**(4)**	**(4)**
At 31 January 2012	**3**	**14**	**(559)**	**(542)**

15 Deferred taxation (cont'd)

The Company	Excess of net book value over tax written down value of property, plant and equipment $'000	Dividends and interest income not remitted $'000	Total $'000
At 1 February 2010	(2)	(539)	(541)
Credited to income statement	2	539	541
At 31 January 2011 and 31 January 2012	–	–	–

* represents amount less than $500

16 Trade and other payables

		The Group		The Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
Due within one year					
Trade payables		**103,135**	162,946	**107,559**	167,703
Liabilities owing to tax authorities					
- for business tax		**7,410**	–	**–**	–
- for revenue tax		**–**	6,135	**–**	–
Advances from third parties		**4**	–	**–**	–
Deposits received from third parties		**417**	788	**22**	24
Rental received in advance		**224**	491	**–**	–
Interest payable		**193**	62	**17**	–
Sundry payables		**10,955**	10,492	**124**	119
	(i)	**122,338**	180,914	**107,722**	167,846
Due after one year					
Other payables	(ii)	**259**	249	**–**	–
Total	(i) + (ii)	**122,597**	181,163	**107,722**	167,846

Trade and other payables are denominated in the following currencies:

Singapore dollar	**111,086**	169,017	**107,722**	167,846
United States dollar	**8,667**	9,688	**–**	–
Australian dollar	**2,583**	2,177	**–**	–
Malaysian Ringgit	**8**	23	**–**	–
Chinese Renminbi	**253**	258	**–**	–
	122,597	181,163	**107,722**	167,846

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 statements of financial position to be reasonable approximation of their fair values. The ageing of trade payables approximates 30 to 90 (2011 - 30 to 90) days.

16 Trade and other payables (cont'd)

The liabilities owing to tax authorities relate to:

- business tax liability of $7,410,000 [US$5,928,000] (2011 - Nil) payable to Vietnamese tax authorities for operating gaming centre which has ceased operations since 2010; and

- revenue tax liability of Nil [2011 - US$4,793,000 ($6,135,000)] payable to Vietnamese tax authorities for tax on gaming centre's revenue which has been fully settled during the financial year ended 31 January 2012.

17 Amounts owing to subsidiaries (non-trade)

The Company

The non-trade amounts of $9,210,000 (2011 - $10,208,000) owing to subsidiaries represent advances, which are unsecured and interest-free. They have no fixed terms of repayment and are repayable only when the cash flows of the borrowers permit.

18 Advances received from a joint venture

The Group and the Company

The advances received from a joint venture of $2,000 (2011 - $2,000) is unsecured and interest-free. The settlement of debt is by way of capital return upon dissolution of the joint venture and will be settled within one year from the end of the reporting period. Accordingly, it is not practicable to determine the fair values of these amounts owing.

19 Amounts owing to non-controlling shareholders of subsidiaries (non-trade)

The Group	**2012 $'000**	2011 $'000
Non-trade amounts owing to non-controlling shareholders of subsidiaries		
- interest-free	**2,022**	1,946
- interest-bearing	**41,804**	–
	43,826	1,946
Amount repayable:		
Not later than one year	**2,022**	1,946
Later than one year and not later than five years	**41,804**	–
Later than five years	**–**	–
	43,826	1,946

The non-trade amount of $2,022,000 (2011 - $1,946,000) owing to a non-controlling shareholder of a subsidiary, represents advances which are unsecured and interest-free. They have no fixed terms of repayment and are repayable only when the cash flows of the Group permits.

In respect of the interest-bearing loans of $41,804,000 (2011 - Nil) owing to non-controlling shareholders of another subsidiary, interest is charged at a rate of 4.0% (2011 - Nil) per annum. In the opinion of the directors of the Company, the interest rates are carried at commercial terms.

20 Bank borrowings

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Variable				
Revolving loan - unsecured	**23,000**	–	**23,000**	–
Term loans - secured	**533,750**	–	**–**	–
	556,750	–	**23,000**	–
Amount repayable:				
Not later than one year	**23,000**	–	**23,000**	–
Later than one year and not later than five years	**533,750**	–	**–**	–
	556,750	–	**23,000**	–

All bank borrowings are denominated in Singapore dollar.

Terms loans totalling $533,750,000 (2011 - Nil) are secured by mortgages over the development properties of certain subsidiaries (Note 9) and charges on all new assignments of tenancy, sales agreements and construction contracts.

The maturity dates of bank borrowings are as follows:

Loan amount $'000	Repayable in full on
10,000	$3 million on 9 April 2012 and $7 million on 27 April 2012
13,000	20 April 2012 (of which $3 million has been repaid on 20 March 2012)
420,000	30 November 2014
113,750	31 May 2015
556,750	

The Group has unutilised bank facilities of $200,719,000 (2011 - $83,187,000) as at the end of reporting period.

The Group and the Company have financial covenants attached to certain bank loan facilities which relates to restriction of limits imposed on the maintenance of the Group tangible net-worth, the limits on leverage ratio and the extent of interest cover. As at the end of reporting period, the Group has observed these financial covenants accordingly.

The effective interest rate per annum for the Group's and the Company's borrowings is 1.44% and 2.13% (2011 - Nil) respectively.

The interest rates are repriced monthly.

20 Bank borrowings (cont'd)

The table below analyses the maturity profile of the Group's and the Company's borrowings based on contractual undiscounted cash flows:

	2012		2011	
	Carrying amount	**Contractual cash flows**	Carrying amount	Contractual cash flows
	$'000	**$'000**	$'000	$'000
The Group				
Less than one year	**23,000**	**23,101**	–	–
Between one to five years	**533,750**	**546,339**	–	–
	556,750	**569,440**	–	–
The Company				
Less than one year	**23,000**	**23,101**	–	–
Between one to five years	**–**	**–**	–	–
	23,000	**23,101**	–	–

21 Derivative financial instrument

	2012		2011	
	Contract notional amount	**Net liabilities at fair value**	Contract notional amount	Net liabilities at fair value
The Group and The Company	**$'000**	**$'000**	$'000	$'000
Interest rate swap contract	**50,000**	**3,303**	30,000	1,106

The Group has entered into an interest rate swap to manage its exposure to interest rate risk by swapping from floating rates to fixed rates. Contracts with aggregated nominal values of $50,000,000 (2011 - $30,000,000) have fixed interest payments at 2.85% (2011 - ranged between 2.1% and 3.1%) per annum from 1 March 2012 to 2 March 2015 and have floating interest receipts pegged to Swap Offer Rate. The net position of the interest rate swap is settled on a quarterly basis.

The fair value of the interest rate swap is determined by the bank using a valuation model and assumptions that are based on market conditions existing at end of reporting period. The Group does not designate its interest rate swap contract as hedging instrument and the fair value loss of $2,197,000 (2011 - $93,000) has been recognised in the consolidated income statement.

22 Share capital

	← Number of ordinary shares →		← Amount →	
	2012	2011	**2012**	2011
The Group and The Company			**$'000**	$'000
Issued and fully paid ordinary shares, with no par value				
Balance at beginning and at end of year	**738,816,000**	738,816,000	**161,863**	161,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank equally with regard to the Company's residual assets.

23 Fair value reserve

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Fair value reserve (non-distributable)				
- available-for-sale financial assets				
Balance at beginning of year	**8,795**	3,237	**645**	572
Fair value gains recycled to income statement on derecognition [Note 26(a)]	**(4,524)**	(1,581)	**–**	(574)
Net fair value (losses)/gains recognised in other comprehensive income (Note 5)	**(5)**	7,139	**385**	632
Exchange translation differences	**–**	–	**–**	15
	(4,529)	5,558	**385**	73
Balance at end of year	**4,266**	8,795	**1,030**	645

24 Retained profits

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
The Company	**224,765**	146,791	**224,765**	146,791
Adjustment for dividend from a subsidiary	**(6,857)**	(1,449)	**–**	–
Reclassified from/(to) joint ventures (Note 10)	**–**	–	**3,745**	(15,098)
	217,908	145,342	**228,510**	131,693
Subsidiaries	**25,280**	34,961	**–**	–
Associated company	**1,687**	800	**–**	–
	244,875	181,103	**228,510**	131,693
Dividends (Note 32)	**(29,552)**	(22,164)	**(29,552)**	(22,164)
	215,323	158,939	**198,958**	109,529

25 Currency translation reserve

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**3,594**	4,255	**14**	(279)
Exchange fluctuation difference during the year	**5,483**	(661)	**–**	293
Balance at end of year	**9,077**	3,594	**14**	14

The currency translation reserve is a non-distributable reserve and relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries, associated company and joint ventures.

26(a) Other operating income

The Group	Note	2012 $'000	2011 $'000
Dividend income from quoted equity investments		**2,519**	1,816
Fair value gains recycled from fair value reserve to income statement on derecognition of available-for-sale financial assets	23,27	**4,524**	1,581
Gain on disposal of investment properties	13(b),27	**504**	211
Interest income			
- banks		**301**	36
- fixed deposits		**219**	584
- joint ventures		**6**	156
		526	776
Rental income from investment properties	13(c)	**90**	71
Exchange gain	27	**–**	104
Sundry income		**361**	938
		8,524	5,497

26(b) Administrative costs

The Group	2012 $'000	2011 $'000
Employee benefit costs	**12,284**	15,520
Depreciation of property, plant and equipment	**681**	1,054
Directors' fee	**268**	200
Travelling and transportation expenses	**230**	138
Operating lease rentals	**51**	60
Others	**4,805**	5,148
	18,319	22,120

26(c) Other operating expenses

The Group	Note	2012 $'000	2011 $'000
Exchange loss	27	**3,879**	–
Impairment loss on available-for-sale financial assets	5,27	**4,453**	–
Hotel maintenance and utilities		**3,340**	2,826
Concessionary loss from gaming centre		**1,064**	7,199
Fair value loss on financial assets at fair value through profit and loss	27	**1,535**	124
Property, plant and equipment written off	27	**1,168**	42
Others		**69**	15
		15,508	10,206

26(d) Finance costs

Finance costs relate to interest expense on bank loans (see Note 20).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

27 Profit before taxation

The Group	Note	**2012 $'000**	2011 $'000
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee:			
- auditors of the Company			
- current year		**115**	124
- other auditors			
- current year		**122**	91
- (over)/under provision in respect of prior years		**(2)**	11
Non-audit fees:			
- auditors of the Company			
- current year		**29**	118
- under provision in respect of prior years		**5**	26
- other auditors		**32**	51
Depreciation of:			
- investment properties	13(c)	**725**	733
- property, plant and equipment	14	**4,960**	4,155
Directors' fee		**268**	200
Exchange loss/(gain)	26(a), 26(c)	**3,879**	(104)
Fair value gains recycled from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	26(a)	**(4,524)**	(1,581)
Fair value loss on financial assets at fair value through profit and loss	26(c)	**1,535**	124
Gain/(loss) on disposal of:			
- investment properties	26(a)	**(504)**	(211)
- property, plant and equipment		**26**	(13)
Property, plant and equipment written off	26(c)	**1,168**	42
Goodwill written off		**39**	–
Impairment loss on other receivables	6	**–**	19
Impairment loss on other receivables no longer required	6	**(1)**	(8)
Impairment loss on available-for-sale financial assets	26(c)	**4,453**	–
Operating lease rentals	33.1(a)	**1,640**	1,833
Employee benefit costs:			
Directors			
- directors of the Company		**9,343**	12,683
- CPF contributions and other equivalent contributions		**23**	19
Key management personnel (other than directors)			
- salaries, wages and other related costs		**1,966**	1,576
- CPF contributions and other equivalent contributions		**70**	51
Other than directors and key management personnel			
- salaries, wages and other related costs		**17,659**	16,469
- CPF contributions and other equivalent contributions		**1,530**	1,300
		30,591	32,098
Cost of sales:			
- current		**(105,539)**	(238,354)
- project costs written back		**76,338**	71,303
		(29,201)	(167,051)

28 Taxation

The Group	2012 $'000	2011 $'000
Current taxation		
- Singapore	**13,676**	12,039
- Foreign	**3,962**	3,643
	17,638	15,682
Deferred taxation (Note 15)		
- credited to income statement	**(69)**	(600)
Tax expense	**17,569**	15,082
(Over)/under provision in respect of prior years		
- current taxation	**(3,285)**	1,684
	14,284	16,766

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

	2012	2011
Profit before taxation	**102,633**	100,453
Share of results of joint ventures and an associated company	**(26,736)**	(23,755)
	75,897	76,698
Tax at statutory rate of 17%	**12,902**	13,039
Tax effect on non-deductible expenses	**6,409**	2,542
Tax effect on non-taxable income	**(7,665)**	(2,196)
Tax effect on deferred tax assets not recognised	**574**	20
Utilisation of deferred tax assets on temporary differences not recognised in previous years	**2**	–
Singapore statutory stepped income exemption	**(97)**	(109)
Foreign tax	**3,902**	–
Differences in foreign tax rates	**1,542**	1,786
	17,569	15,082

On 8 December 2011, the Company has obtained a waiver from the Singapore tax authorities to carry forward the unutilised tax losses for YA2007 to YA2010 amounting to $26,248,000. These unutilised tax losses have been utilised for YA2011 and YA2012. The tax assessments are subject to agreement with the tax authorities.

29 Earnings per share

(a) Basic earnings per share

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

	2012 $'000	2011 $'000
Net profit attributable to equity holders of the Group	**85,936**	81,742
Weighted average number of ordinary shares for purpose of calculating basic earnings per share	**738,816,000**	738,816,000
Basic earnings per share (cents)	**11.63**	11.06

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

29 Earnings per share (cont'd)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the financial year and adjusting for dilutive effect, if any.

	2012 **$'000**	2011 $'000
Net profit attributable to equity holders of the Group	**85,936**	81,742
Weighted average number of ordinary shares for purpose of calculating diluted earnings per share	**738,816,000**	738,816,000
Diluted earnings per share (cents)	**11.63**	11.06

30 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 aggregate net deficits at 31 January 2012 of $9.4 million (2011 - $16.1 million) to enable them to continue to operate as going concern and to meet their respective obligations as and when they fall due:

Bali Investment Pte. Ltd.
Dalton Investment Pte. Ltd.
Duxton Hotel (Pte.) Ltd.
East Peak Development Pte. Ltd.
Herman Investments Pte Ltd
Huatland Development Pte. Ltd. (formerly known as Planet Development Pte. Ltd.)
Kendall Pte Ltd
Kwan Hwee Investment Pte Ltd
LKH (Saigon) Pte. Ltd.
Paya Lebar Development Pte. Ltd.
Prodev Pte Ltd
Pyline Pte Ltd
Quality Investments Pte Ltd
Siong Feng Development Pte. Ltd.
Thyme Saigon Pte Ltd
Upper Club Pte. Ltd.
Vinametric Limited
22 Dempsey Pte. Ltd.

(b) A guarantee provided to a bank for loan facility of US$2,250,000 (S$2,813,000) [2011 - US$2,250,000 (S$2,880,000)] granted to a subsidiary.

There is no effect on the financial guarantee as to the interest cost since the variable interest rate debt obligation is at prevailing market interest rate.

31 Related party transactions

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

The Group	**2012** **$'000**	2011 $'000
Sales to joint ventures	**327**	2,584
Interest income from joint ventures	**6**	156
Interest expense charged by non-controlling shareholders of a subsidiary	**1,122**	–
Acquisition of plant and equipment from a non-controlling shareholder	**15**	–
Consultancy services charged by a non-controlling shareholder of a subsidiary	**416**	–

32 Dividends

The Group and the Company	**2012** **$'000**	2011 $'000
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 3.0 (2011 - 3.0) cents per share, tax exempt	**22,164**	22,164
- Special dividends:		
First and final dividend of 1.0 (2011 - 1.0) cents per share, tax exempt	**7,388**	7,388
	29,552	29,552
Dividends paid		
- Ordinary dividends:		
First and final dividend of 3.0 cents (2011 - 3.0) cents per share, tax exempt paid in respect of the previous financial year	**22,164**	22,164
- Special dividends:		
First and final dividend of 1.0 (2011 - Nil) cents per share, tax exempt	**7,388**	–
	29,552	22,164

33 Commitments

33.1 Operating lease commitments (non-cancellable)

(a) Rental expense of the Group and the Company for the financial year ended 31 January 2012 amounted to $1,640,000 (2011 - $1,833,000) and $136,000 (2011 - $130,000) respectively. Certain leases have varying terms, escalation clauses and renewal rights. At the end of reporting period, the Group and the Company were committed to making payments in respect of rental of premises and office equipment with remaining contractual terms ranging from 1 year to 23 years as follows:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**1,483**	1,118	**11**	133
Later than one year and not later than five years	**2,907**	1,780	**–**	536
Later than five years	**1,306**	2,746	**–**	1,218
	5,696	5,644	**11**	1,887

(b) The Group and the Company lease out a portion of their warehouse and office units to related and non-related parties under non-cancellable operating lease. Rental income of the Group and the Company for the financial year ended 31 January 2012 amounted to $2,324,000 (2011 - $1,915,000) and $1,450,000 (2011 - $1,191,000) respectively.

The future minimum lease receivable under non-cancellable operating leases contracted for at the end of reporting period but not recognised as receivable, is as follows:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**571**	652	**121**	100
Later than one year and not later than five years	**–**	91	**–**	–
Later than five years	**–**	–	**–**	–
	571	743	**121**	100

33.2 Capital commitment

The Group	**2012** **$'000**	2011 $'000
Capital expenditure contracted but not provided for in the financial statements	**4,203**	2,757

The capital commitment principally relates to consultancy services on the construction of the residential apartments, office building and a five-star hotel at Front Beach, Vung Tau City, Vietnam by OSC-Duxton (Vietnam) Joint Venture Company Limited.

33.3 Other commitment

The Group	**2012** **$'000**	2011 $'000
Uncalled capital contribution in joint venture at Vung Tau City	**6,688**	6,848

34 Operating segments

For management purposes, the Group's 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. The Group's reportable operating segments are as follows:

(i) Construction

Activities in this segment comprise building and engineering work.

(ii) Development

Activities in this segment comprise the development of properties.

(iii) Hotels

Activities in this segment comprise owning and operating hotels and restaurants.

(iv) Investments

Activities in this segment relate mainly to investment in properties and shares in quoted and unquoted equities.

There are no operating segments that have been aggregated to form the above reportable operating segments.

The joint managing directors monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group taxation is managed on a group basis and is not allocated to operating segments.

Sales between operating segments are carried out at arm's length basis similar to transactions with third parties.

34 Operating segments (cont'd)

The Group

(a) Business Segments

	Construction		Development		Hotels		Investments		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE										
Total sales	**82,505**	221,202	**–**	234	**58,019**	54,839	**3,626**	3,057	**144,150**	279,332
Inter-segment sales	**–**	–	**–**	–	**(6,392)**	(6,048)	**(1,360)**	(1,120)	**(7,752)**	(7,168)
External sales	**82,505**	221,202	**–**	234	**51,627**	48,791	**2,266**	1,937	**136,398**	272,164
RESULTS										
Segment results	**70,315**	67,588	**(2,590)**	163	**6,755**	5,851	**1,854**	3,733	**76,334**	77,335
Finance costs	**(437)**	(637)	**–**	–	**–**	–	**–**	–	**(437)**	(637)
	69,878	66,951	**(2,590)**	163	**6,755**	5,851	**1,854**	3,733	**75,897**	76,698
Share of results of joint ventures and an associated company	**–**	–	**26,736**	23,755	**–**	–	**–**	–	**26,736**	23,755
	69,878	66,951	**24,146**	23,918	**6,755**	5,851	**1,854**	3,733	**102,633**	100,453
Taxation									**(14,284)**	(16,766)
Non-controlling interests									**(2,413)**	(1,945)
Net profit									**85,936**	81,742

34 Operating segments (cont'd)

	Construction		Development		Hotels		Investments		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
OTHER INFORMATION										
Segment assets	**55,385**	159,686	**805,300**	50,225	**72,412**	70,847	**51,912**	75,209	**985,009**	355,967
Investment in associated company and joint ventures under equity method	**4,903**	4,642	**141,368**	175,971	**–**	–	**18,166**	12,667	**164,437**	193,280
Consolidated total assets (excluding taxation)	**60,288**	164,328	**946,668**	226,196	**72,412**	70,847	**70,078**	87,876	**1,149,446**	549,247
Segment liabilities	**134,299**	169,158	**577,330**	266	**6,994**	7,884	**713**	974	**719,336**	178,282
Investment in joint ventures under equity method	**412**	857	**–**	–	**–**	–	**–**	–	**412**	857
Consolidated total liabilities (excluding taxation)	**134,711**	170,015	**577,330**	266	**6,994**	7,884	**713**	974	**719,748**	179,139
Capital expenditure										
- property, plant and equipment	**15**	317	**24**	–	**6,295**	2,809	**–**	1	**6,334**	3,127
- investment properties	**6**	52	**–**	–	**–**	–	**–**	–	**6**	52
Depreciation										
- property, plant and equipment	**601**	582	**13**	14	**4,456**	3,670	**–**	3	**5,070**	4,269
- investment properties	**–**	683	**685**	–	**–**	–	**40**	50	**725**	733
Property, plant and equipment written off	**–**	–	**–**	–	**1,162**	42	**6**	–	**1,168**	42
Impairment loss on available-for-sale financial assets	**–**	–	**–**	–	**–**	–	**4,453**	–	**4,453**	–
Fair value gains recycled from fair value reserve to profit or loss on derecognition of available-for-sale financial assets	**–**	573	**–**	–	**–**	–	**4,524**	1,008	**4,524**	1,581
Goodwill written off	**–**	–	**–**	–	**39**	–	**–**	–	**39**	–

34 Operating segments (cont'd)

(b) Geographical Segment

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

The Group	**2012** **$'000**	2011 $'000
Singapore	**90,586**	229,319
Australia	**36,672**	32,033
Vietnam	**9,108**	10,485
Malaysia	**32**	93
China	**–**	234
	136,398	272,164

Information about major customers

Revenue from three (2011 - two) major customers arising from sales attributable to the Singapore construction segment amounted to:

- $18,559,000 and $27,742,000 (2011 - Nil);
- Nil (2011 - $38,388,000); and
- $21,491,000 (2011 - $171,158,000).

(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 and investment properties by geographical areas in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment and investment properties	
The Group	**2012** **$'000**	2011 $'000	**2012** **$'000**	2011 $'000
Singapore	**908,456**	278,536	**3,288**	502
Australia	**50,565**	47,948	**2,838**	2,206
Vietnam	**16,137**	18,247	**214**	470
Malaysia	**3,660**	4,610	**–**	1
China	**6,191**	6,626	**–**	–
	985,009	355,967	**6,340**	3,179

34 Operating segments (cont'd)

(d) Reconciliation of segments total assets and total liabilities

The Group	**2012** **$'000**	2011 $'000
Reportable segments' assets are reconciled to total assets as follows:		
Segment assets	**985,009**	355,967
Investment in associated company and joint ventures	**164,437**	193,280
Tax recoverable	**11**	7
Deferred tax assets	**559**	497
Total assets	**1,150,016**	549,751
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities	**719,336**	178,282
Investment in joint ventures	**412**	857
Liabilities owing to tax authorities		
- for business tax	**7,410**	–
- for revenue tax	**–**	6,135
Deferred tax liabilities	**17**	28
Current tax payable	**18,148**	17,802
Total liabilities	**745,323**	203,104

35 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	
	2012	2011
Above $2,000,000	**3**	2
$1,750,000 to $1,999,999	**–**	–
$1,000,000 to $1,249,999	**–**	–
$250,000 to $499,999	**1**	1
Below $250,000	**5**	6
Total	**9**	9

36 Financial risk management objectives and policies

The Group's financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities.

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, liquidity risk, market price risk and credit 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 uses interest rate swap to mitigate the risk of rising interest rates. Except for the interest rate swap, the Group does not hold or issue derivative financial instruments for speculative purposes.

36.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

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, if any, 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.

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. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

36.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from bank borrowings, interest-bearing loans given to related parties and cash placed with financial institutions. The Group manages its exposure to interest rate movements on its bank borrowings using floating-to-fixed interest rate swaps.

The interest rates of cash placed with financial institutions, amount owing by joint ventures, amounts owing to non-controlling shareholders of subsidiaries and bank borrowings are disclosed in Notes 4, 10, 19 and 20 to the financial statements, respectively.

36 Financial risk management objectives and policies (cont'd)

36.2 Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

	Increase/(decrease)			
	2012		2011	
	Profit after taxation	**Equity**	Profit after taxation	Equity
	$'000	**$'000**	$'000	$'000
The Group				
Interest rate				
- decreased by 1% per annum	**4,576**	**4,576**	(915)	(915)
- increased by 1% per annum	**(4,576)**	**(4,576)**	915	915
The Company				
Interest rate				
- decreased by 1% per annum	**191**	**191**	(885)	(885)
- increased by 1% per annum	**(191)**	**(191)**	885	885

36.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group aims at maintaining flexibility in funding by keeping committed credit facilities available as disclosed in Note 20 to the consolidated financial statements.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

36 Financial risk management objectives and policies (cont'd)

36.3 Liquidity risk (cont'd)

The Group	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
At 31 January 2012			
Trade and other payables	**122,338**	**259**	**122,597**
Amount owing to a joint venture	**2**	**–**	**2**
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	**2,022**	**44,787**	**46,809**
Provision for directors' fee	**268**	**–**	**268**
Bank borrowings	**23,101**	**546,339**	**569,440**
Derivative financial instrument	**1,017**	**2,286**	**3,303**
	148,748	**593,671**	**742,419**
At 31 January 2011			
Trade and other payables	180,914	249	181,163
Amount owing to a joint venture	2	–	2
Amount owing to a non-controlling shareholder of a subsidiary (non-trade)	1,946	–	1,946
Provision for directors' fee	200	–	200
Derivative financial instrument	636	470	1,106
	183,698	719	184,417

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
At 31 January 2012			
Trade and other payables	**107,722**	**–**	**107,722**
Amount owing to subsidiaries	**9,465**	**–**	**9,465**
Amount owing to a joint venture	**2**	**–**	**2**
Provision for directors' fee	**268**	**–**	**268**
Bank borrowings	**23,101**	**–**	**23,101**
Derivative financial instrument	**1,017**	**2,286**	**3,303**
	141,575	**2,286**	**143,861**
At 31 January 2011			
Trade and other payables	167,846	–	167,846
Amount owing to subsidiaries	10,464	–	10,464
Amount owing to a joint venture	2	–	2
Provision for directors' fee	200	–	200
Derivative financial instrument	636	470	1,106
	179,148	470	179,618

36 Financial risk management objectives and policies (cont'd)

36.4 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 or industry.

The Group is exposed to marketable securities price risk arising from its investments in equity investments classified as available-for-sale financial assets and financial assets held at fair value through profit or loss. These securities are listed in Singapore and Malaysia. The Group is not exposed to price risk which is commodity sensitive.

The sensitivity analyses below have been determined based on the portfolio of quoted equity securities held by the Group and the Company as at the end of reporting period, if prices for equity securities listed in Singapore and Malaysia increase/decrease by 2% (2011 - 2%) with all other variables including tax rate being held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in the prices for equity securities under normal economic conditions.

Investments

	Increase/(decrease)			
	2012		2011	
	Profit after taxation	**Equity**	Profit after taxation	Equity
	$'000	**$'000**	$'000	$'000
The Group				
Prices for quoted equity investments				
- increased by 2% per annum	**68**	**975**	33	1,439
- decreased by 2% per annum	**(68)**	**(975)**	(33)	(1,439)
The Company				
Prices for quoted equity investments				
- increased by 2% per annum	**–**	**39**	–	32
- decreased by 2% per annum	**–**	**(39)**	–	(32)

36.5 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's exposure to credit risk arises primarily from trade and other receivables, related party balances and cash placed with financial institutions. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

There are no significant concentrations of credit other than advances to joint ventures, an associated company, and inter-company balances which are eliminated upon consolidation.

The Group carries out construction work mainly for private sectors. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statements of financial position are net of allowances for doubtful receivables. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

36 Financial risk management objectives and policies (cont'd)

36.5 Credit risk (cont'd)

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statements of financial position.

Fair values

The carrying amount of the financial assets and financial liabilities with a maturity of less than 1 year is assumed to approximate their fair values.

The Group and the Company do not anticipate that the carrying amounts recorded at end of reporting period would be significantly different from the values that would eventually be received or settled.

Information on fair values of investment in financial assets at fair value through profit or loss, available-for-sale financial assets and interest rate swap contract are included in Note 5 and Note 21 respectively.

37 Financial instruments

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
As at 31 January 2012				
Assets/(liabilities)				
Financial assets, available-for-sale	**45,354**	**–**	**–**	**45,354**
Financial assets, at fair value through profit or loss	**4,098**	**–**	**–**	**4,098**
Interest rate swap	**–**	**(3,303)**	**–**	**(3,303)**
As at 31 January 2011				
Assets/(liabilities)				
Financial assets, available-for-sale	70,276	–	–	70,276
Financial assets, at fair value through profit or loss	1,976	–	–	1,976
Interest rate swap	–	(1,106)	–	(1,106)
The Company				
As at 31 January 2012				
Assets/(liabilities)				
Financial assets, available-for-sale	**1,974**	**–**	**–**	**1,974**
Interest rate swap	**–**	**(3,303)**	**–**	**(3,303)**
As at 31 January 2011				
Assets/(liabilities)				
Financial assets, available-for-sale	1,589	–	–	1,589
Interest rate swap	–	(1,106)	–	(1,106)

37 Financial instruments (cont'd)

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

The fair value of financial instrument included in Level 2 is determined by the bank using a valuation model and assumptions that are based on market conditions existing at the end of reporting period.

38 Capital risk management objectives and policies

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

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

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

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

(d) To provide an adequate return to shareholders.

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

There were no changes in the Group's and Company's approach to capital management during the financial year ended 31 January 2012.

The Group and the Company are not subject to externally imposed capital requirements.

Gearing has a significant influence on the Group's and the Company's capital structure and the Group and the Company monitor capital using a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings, trade and other payables, derivative financial instrument and amounts owing to related parties less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Net debt	**693,590**	63,894	**140,300**	73,337
Total equity	**404,693**	346,647	**361,865**	272,051
Total capital	**1,098,283**	410,541	**502,165**	345,388
Gearing ratio	**63%**	16%	**28%**	21%

39 Event after end of reporting date

The Company and The Group

Subsequent to end of reporting period, the Company has entered into a conditional sale & purchase agreement to sell its warehouses classified under investment properties and property, plant and equipment costing $5,639,000 and $4,199,000 respectively to a third party at a consideration of $10,000,000 [Note 13(d) and Note 14(ii)(a)]. The sale is subject to the approval of JTC Corporation of Singapore.

40 Prior year adjustment / comparative figures

(a) Prior year adjustment

The Company reported an adjustment arising from incorrect recording of an intercompany transaction in accordance with FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors as follows:

The Company	Year ended 31 January 2011 $'000	Year ended 31 January 2010 $'000
Understatement of dividend income from a subsidiary	1,449	–

(b) Comparative figures

The following comparative figures have been restated/reclassified arising from:

- a prior year adjustment of the Company as mentioned in (a) above; and
- certain comparative figures have been reclassified to reinstate the liability owing to a joint venture and to reinstate the deemed cost for investments in joint ventures.

Statements of financial position

	31 January 2011			
The Group	As reported $'000	Prior year adjustment $'000	Reclassification $'000	As restated $'000
Non-current assets				
Joint ventures	179,756	–	857	180,613
Non-current liabilities				
Joint venture	–	–	(857)	(857)
	179,756	–	–	179,756
The Company				
Non-current assets				
Joint ventures	175,113	–	(14,372)	160,741
Subsidiaries	146,871	–	12	146,883
Current liabilities				
Amount owing to subsidiaries				
- non-trade	(11,645)	1,449	(12)	(10,208)
Non-current liabilities				
Joint venture	–	–	(726)	(726)
Equity and reserves				
Retained profits	(123,178)	(1,449)	15,098	(109,529)
	187,161	–	–	187,161

40 Prior year adjustment / comparative figures (cont'd)

(b) Comparative figures (cont'd)

Statements of financial position (cont'd)

	1 February 2010			
The Company	As reported $'000	Prior year adjustment $'000	Reclassification $'000	As restated $'000
Non-current assets				
Joint ventures	175,140	–	(16,009)	159,131
Non-current liabilities				
Joint venture	–	–	(592)	(592)
Equity and reserves				
Retained profits	(67,662)	–	16,601	(51,061)
	107,478	–	–	107,478

There is no impact on other notes to the financial statements as to the reclassifications of the liability owing to a joint venture made thereon to the financial statements.

Statistics of Shareholdings

AS AT 17 APRIL 2012

SHARE CAPITAL INFORMATION

Issued Share Capital	:	738,816,000
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AND NUMBER OF HOLDERS AS AT 17 APRIL 2012

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	19	0.64	5,640	0.00
1,000 - 10,000	1,161	39.05	7,149,012	0.97
10,001 - 1,000,000	1,762	59.27	111,089,560	15.03
1,000,001 and above	31	1.04	620,571,788	84.00
Total	**2,973**	**100.00**	**738,816,000**	**100.00**

TOP 20 LARGEST SHAREHOLDERS AS AT 17 APRIL 2012

No	Name	No of Shares	%
1	UNITED OVERSEAS BANK NOMINEES	399,864,105	54.12
2	LOW KENG BOON @ LAU BOON SEN	61,841,450	8.37
3	LOW KENG HOO @LAU KEENG FOO	51,695,194	7.00
4	LAU CHOY LAY	20,634,000	2.79
5	HSBC (SINGAPORE) NOMS PTE LTD	12,464,000	1.69
6	UOB KAY HIAN PTE LTD	10,646,000	1.44
7	DBS VICKERS SECS (S) PTE LTD	5,989,000	0.81
8	PHILLIP SECURITIES PTE LTD	5,910,000	0.80
9	CITIBANK NOMS S'PORE PTE LTD	5,865,683	0.79
10	OCBC SECURITIES PRIVATE LTD	5,513,000	0.75
11	LOW CHIN HAN	5,460,000	0.74
12	LOW SEOK LING MONICA	5,241,356	0.71
13	DBS NOMINEES PTE LTD	2,910,000	0.39
14	CITIBANK CONSUMER NOMS PTE LTD	2,435,000	0.33
15	TAY CHANG MONG	2,268,000	0.31
16	TAY CHIU GEE	2,006,000	0.27
17	LOW POH KUAN	1,998,000	0.27
18	MAYBANK KIM ENG SECS PTE LTD	1,974,000	0.27
19	LIM TECK SIONG	1,820,000	0.25
20	LEONARD SABU ANAK KHENG BOO	1,500,000	0.20
	TOTAL	**608,034,788**	**82.30**

SUBSTANTIAL SHAREHOLDERS AS AT 17 APRIL 2012

Name of Substantial Shareholder	No. of shares fully paid		
	Direct Interest	Deemed interest	Total
Consistent Record Sdn Bhd	396,389,097	–	396,389,097
Tan Sri Dato’ Low Keng Huat	1,200,000	396,389,097	397,589,097
Low Keng Boon @ Lau Boon Sen	61,841,450	26,934,000	88,775,450
Low Keng Hoo @ Lau Keeng Foo	51,695,194	–	51,695,194
Dato’ Marco Low Peng Kiat	300,000	397,940,097	398,240,097

Tan Sri Dato’ Low Keng Huat and Dato’ Marco Low Peng Kiat by virtue of their interests in Consistent Record Sdn Bhd (“CRSB”), are deemed to be interested in the 396,389,097 shares held by United Overseas Bank Nominees (Private) Limited for account of Consistent Record Sdn Bhd (“CRSB”).

Low Keng Boon @ Lau Boon Sen is deemed to be interested in 20,634,000 shares held by his spouse by virtue of Section 7, Companies Act, Cap. 50.

Dato’ Marco Low Peng Kiat is deemed to be interested in 1,551,000 shares held by UOB Kay Hian Pte. Ltd. on his account.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the Company as at 17 April 2012, approximately 26.46% of the issued ordinary shares of the Company are held in the hands of the public. This in in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited

Notice of Forty-Third Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Third Annual General Meeting of the Company will be held at 22 Dempsey Road, Singapore 249679 on Thursday, 31 May 2012, at 11.00 a.m., for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the audited Financial Statements for the financial year ended 31 January 2012 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one tier) dividend of 3.0 cents and a special tax exempt (one tier) dividend of 1.0 cent per ordinary share for the financial year ended 31 January 2012. **(Resolution 2)**

3. To re-elect Mr Jimmy Yim Wing Kuen, a Director retiring under Article 88 of the Articles of Association of the Company. **(Resolution 3)**

4. 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 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, Low Keng Hoo @ Lau Keeng Foo 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 consider, and if thought fit, to pass the following resolution:-

   That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Low Keng Boon @ Lau Boon Sen, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting. **(Resolution 8)**

9. To consider, and if thought fit, to pass the following resolution:-

   That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Wey Kim Long, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting. **(Resolution 9)**

Note:

Mr Wey Kim Long 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 a member of the Remuneration Committee.

10. To approve the Directors' fee of $267,500 for the financial year ended 31 January 2012 (2011: $200,000) **(Resolution 10)**

11. To re-appoint Foo Kon Tan Grant Thornton LLP, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 11)**

AS SPECIAL BUSINESS

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

12. Authority to allot and issue shares

"(a) That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), 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

(b) (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

(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 SGX-ST, 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 12)
(See Explanatory Note 1)

ANY OTHER BUSINESS

13. To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed from 8 June 2012 after 5.00 p.m. to 11 June 2012 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 8 June 2012 will be registered to determine shareholders’ entitlements to the said proposed first and final dividend and special dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 June 2012 will be entitled to the abovementioned proposed dividend.

Payment of the dividend, if approved by the shareholders at the Annual General Meeting to be held on 31 May 2012 will be made on 25 June 2012.

By Order of the Board

Chin Yeok Yuen
Company Secretary
Singapore, 15 May 2012

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 Ordinary Resolution 12 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 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 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. 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 issues, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

LOW KENG HUAT (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore)
Registration No. 196900209G

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.

PROXY FORM
FOR FORTY-THIRD ANNUAL GENERAL MEETING

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 (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Forty-Third Annual General Meeting of the Company to be held at 22 Dempsey Road, Singapore 249679 on Thursday, 31 May 2012, 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 audited Financial Statements for the financial year ended 31 January 2012 together with the reports of the Directors and the Auditors thereon.				
2.	To declare a first and final tax exempt (one tier) dividend of 3.0 cents and a special tax exempt (one tier) dividend of 1.0 cent per ordinary share for the financial year ended 31 January 2012.				
3.	To re-elect Mr Jimmy Yim Wing Kuen, a Director retiring under Article 88 of the Articles of Association of the Company.				
4.	To re-appoint Tan Sri Dato' Low Keng Huat, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
5.	To re-appoint Mr Low Keng Hoo @ Lau Keeng Foo, 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 re-appoint Mr Low Keng Boon, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
9	To re-appoint Mr Wei Kim Long, a Director pursuant to Section 153(6) of the Companies Act, Cap. 50.				
10.	To approve the Directors' fees of $267,500 for the financial year ended 31 January 2012.				
11.	To re-appoint Foo Kon Tan Grant Thornton LLP, as Auditors of the Company and to authorise Directors to fix their remuneration.				
12.	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 (ü) within the box provided.

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

Dated this __________ day of ____________ 2012.

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 Tuesday, 29 May 2012.

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 (ü) 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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