



Adventus

Adventus Holdings Limited
Annual Report 2015

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Board of Directors

Mr Chin Bay Ching (Chairman)
Ms Kum Ping Wei
Mr Gersom G Vetuz
Mr Loh Eu Tse Derek
Ms Tan Soh Hoong

Audit Committee

Mr Gersom G Vetuz (Chairman)
Mr Loh Eu Tse Derek
Ms Tan Soh Hoong

Nominating Committee

Mr Loh Eu Tse Derek (Chairman)
Mr Chin Bay Ching
Ms Tan Soh Hoong

Remuneration Committee

Ms Tan Soh Hoong (Chairman)
Mr Gersom G Vetuz
Mr Loh Eu Tse Derek

Secretary

Ms Lee Bee Fong

Share Registrar

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Bankers

Australia and New Zealand
Banking Group Limited
Credit Suisse AG
DBS Bank Ltd
Oversea-Chinese Banking

Corporation Limited
United Overseas Bank Limited

Independent Auditors

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
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#33-00
Partner-in-charge: Ms Lim Bee
Hui
(Date of appointment:
Financial year ending December
31, 2015)

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CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS

On behalf of the board of directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”), I would like to present the Annual Report and financial results of Adventus Holdings Limited and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2015 (“**FY2015**”).

FINANCIAL AND OPERATIONAL OVERVIEW

For FY2015, revenue for both of the Group’s operating subsidiaries, Micro Screen Production Pte Ltd (and its subsidiary, Eternal Exposure Sdn Bhd, together, “**Micro Screen**”) and Apphia Advanced Materials Pte Ltd (“**Apphia**”) fared slightly worse as compared to the previous year. Together, they achieved a revenue of S\$4.28 million, a decrease of approximately 8% as compared to S\$4.65 million recorded in the financial year ended 31 December 2014 (“**FY2014**”). The decrease was largely due to fewer orders of equipment and machinery for Micro Screen, as well as lower sales for Apphia due to a weaker business environment.

Despite the lower revenue, the Group’s gross profit of S\$1.13million was higher as compared to a gross profit of S\$0.79 million for FY2014. This increase was mainly due to lower allowances made for inventory obsolescence, and lower depreciation expenses for machinery.

In June 2015, the Group made its maiden entry into the Property Business by acquiring 100% of the commercial benefits of a residential property development project in Vietnam (the “Vietnam Project”) through its 65.0%-owned subsidiary, Crimson Star Development Pte. Ltd. Due to delays in the implementation and development of the Vietnam Project, coupled with the uncertain legal environment brought about by recent changes in the law of property in Vietnam, the Group has decided to terminate its involvement in March 2016.

Overall, the Group recorded a net loss of S\$4.13 million as compared to S\$2.39 million loss in FY2014. The higher losses can be attributed to increased administrative and startup costs incurred by the Vietnam Project.

OUTLOOK

The business environment in which Micro Screen and Apphia operate in is expected to remain very challenging due to intense competition and uncertain global economic climate.

Management will continue its effort to improve its revenue and earnings and the expansion of the customer base, while maintaining stringent monitoring and control over cost of its existing businesses.

The termination of the Vietnam Project is expected to bring certainty and add tangible benefit and value to the Company. The Company will continue to actively explore business opportunities, particularly in the offshore property development sector, which will result in additional income streams and cash flow to the Group over the long term and in turn enhance shareholder value.

ACKNOWLEDEMENT

On behalf of the Board, I would like to accord our appreciation to all our valued stakeholders, customers, business partners, management and staff for their invaluable support and contributions.

Finally, I would like to express my sincerest acknowledgement of gratitude to our Board members for their vast experience, wise counsel, and varied perspectives that have enriched the considerations and deliberations of the Board.

Chin Bay Ching
Chairman

BOARD OF DIRECTORS

Mr Chin Bay Ching

Chairman and Executive Director

Mr Chin was appointed as Chairman and Executive Director of the Group on 25 July 2014. He is presently a member of the Nominating Committee.

Mr Chin has an extensive career with over 26 years of experience in the property development and hospitality sectors. He is a developer of various property development projects in Singapore, Australia, Malaysia and China. These development projects include residential housing, condominiums, golf courses and hotels. Mr Chin's substantial experience in property development, management and investment will enable the Group to capitalise on new opportunities in these areas.

Mr Chin has a Professional Diploma in Quantity Surveying from the Royal Institute of Technology.

Ms Kum Ping Wei

Executive Director

Ms Kum was appointed as Executive Director of the Group on 30 May 2013.

Ms Kum has more than 16 years of experience in debt capital markets and corporate advisory transactions. She previously worked in both local and international financial institutions, focusing on corporate restructuring, corporate advisory and fund raising for corporates and financial institutions in Asia. Prior to joining the banking industry, she started her career as an auditor in PricewaterhouseCoopers Singapore.

Ms Kum holds a Bachelor of Accountancy from Nanyang Technological University.

BOARD OF DIRECTORS

Mr Gersom G Vetuz

Non-Executive Independent Director

Mr Vetuz joined the Group on 15 September 2008 as a Non-Executive Independent Director. He is presently the Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr Vetuz has more than 41 years of experience in public accounting firms in Singapore, and extensive experience in financial audits of multinational companies, public listed companies and local companies in various industries. Mr Vetuz has previously worked as an Audit Principal at Deloitte & Touche Singapore; and a Partner at Moore Stephens LLP, Singapore.

Mr Vetuz obtained a Bachelor's degree in Business Administration (Major in Accounting) in 1965 from the University of the East, Manila, Philippines. He qualified as a Certified Public Accountant in the Philippines in 1967. In 1982, he attended the Executive Program in Business administration at Columbia University, New York, USA.

Mr Derek Loh Eu Tse

Non-Executive Independent Director

Mr Loh was appointed as Non-Executive Independent Director on 25 July 2014. He chairs the Nominating Committee and is a member of the Audit and Remuneration Committees.

Mr Loh graduated from University of Cambridge with Honours in 1990. He obtained his barrister-at-law in England before proceeding to his call as an advocate and solicitor in Singapore in 1993. Since then he has been in active practice in the area of construction and engineering law. He is presently practicing in TSMP Law Corporation Singapore as an executive director. He sits on the Boards of listed companies in Singapore and abroad including Vibrant Group Limited, Metech International Ltd and Vietnam Enterprise International Limited. Mr. Loh is a member of the Board of Governors of Saint Joseph Institution, a leading independent school in Singapore and is on the Board of Trustees of Saint Joseph's Institution Foundation (Singapore), a charitable organisation.

BOARD OF DIRECTORS

Ms Tan Soh Hoong

Non-Executive Independent Director

Ms Tan was appointed as Non-Executive Independent Director on 13 October 2014. She chairs the Remuneration Committee and is a member of the Audit and Nominating Committees.

Ms Tan started her career in a merchant bank where she worked in the area of corporate finance, focusing on corporate advisory, corporate restructuring, mergers and acquisitions and capital raising transactions for 9 years. Ms Tan possesses more than 20 years of experience in dealing in securities traded on local and foreign exchanges for institutions, corporates and individuals.

Ms Tan holds a Bachelor of Arts (Economics & Statistics) degree from the National University of Singapore.

KEY MANAGEMENT

Ms Ng Lay Bee

Managing Director, Micro Screen Production Pte Ltd

Ms Ng is the co-founder and Managing Director of the Group's wholly owned subsidiary, Micro Screen Production Pte. Ltd. ("**Micro Screen**").

Ms Ng has more than 26 years of experience in the printing industry. Since Micro Screen founding in 1990, Ms Ng has been instrumental in growing it from a start-up with 7 staff to becoming a leading regional supplier of screen and pad printing machines and supplies. Currently, she helms the overall operations and provides its strategic direction.

Ms Ng holds a degree in Business Administration from the National University of Singapore.

Mr Thomas Liu Kong Wah

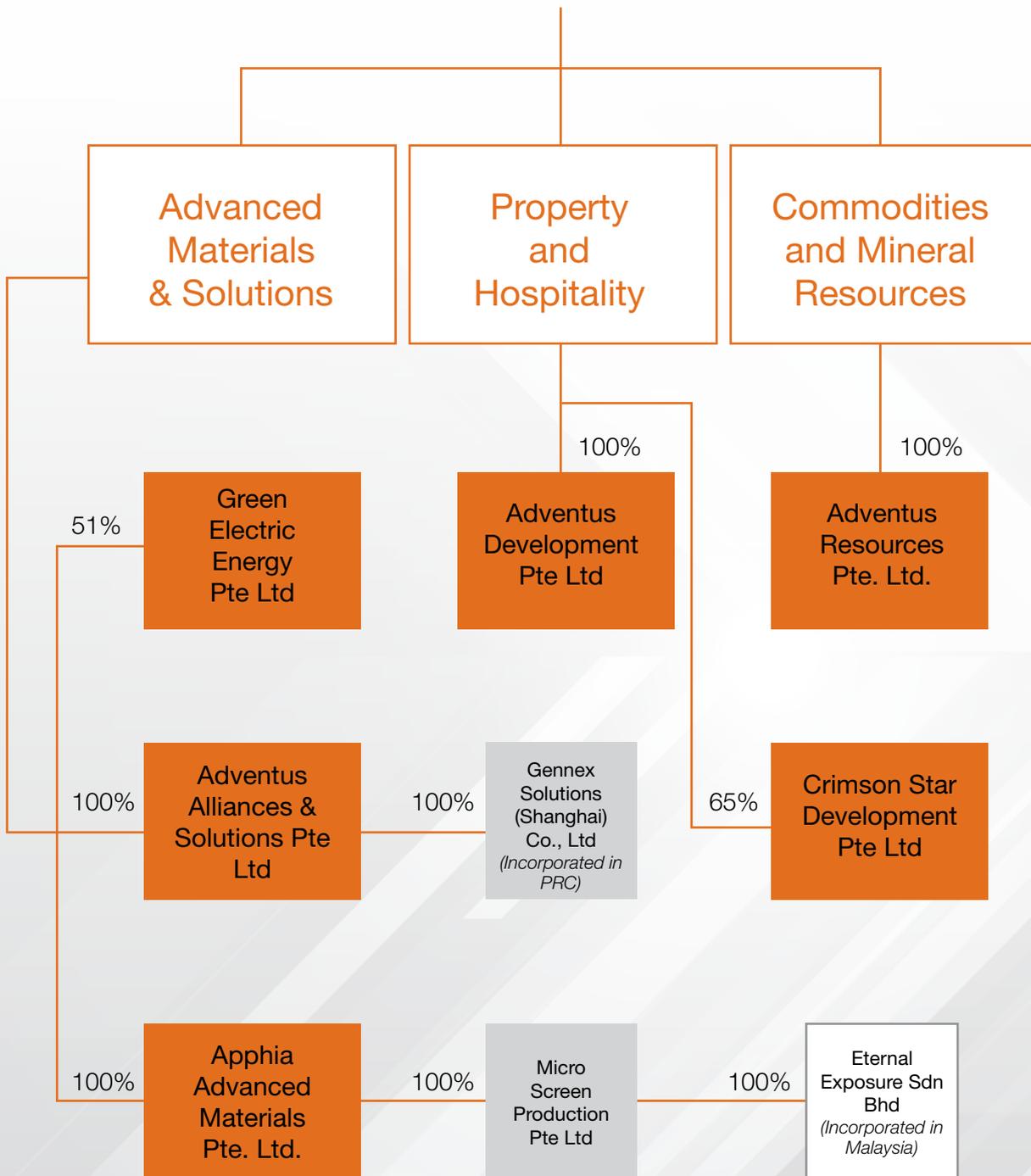
Managing Director, Apphia Advanced Materials Pte. Ltd.

Mr Liu joined Apphia in 2009 after spending over 25 years in the specialised area of manufacturing machine tools, aerospace engineered materials, precision castings and components, and sputtering targets in thin film materials applications. Mr Liu has extensive experience in establishing manufacturing plants from green field sites to fully profitable companies.

He is the founding President of Unaxis Singapore (previously known as Balzer and Leybolds Singapore), NGL Singapore (Westland Helicopter-Garrett Corporation JV), Altus Advanced Materials, and General Manager and director of Avimo Alvis Aerospace Pte. Ltd.

Mr Liu is an Economic Development Board scholar and graduated from Ryerson University, Toronto in Metallurgical Technology. He holds a Masters in Business Administration from the University of East London and was a member of the Industrial Advisory Board of Singapore Polytechnic and Nanyang Technological University for Materials Science and Engineering.

CORPORATE STRUCTURE



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance and transparency within the Company and its subsidiaries (the “**Group**”) in the spirit of the Code of Corporate Governance 2012 (the “**Code 2012**”) which was issued by the Monetary Authority of Singapore on 2 May 2012.

In line with the commitment by the Board to maintaining high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code 2012 and the Listing Manual, Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”), where applicable.

The Board is pleased to report the Company’s compliance with the Code 2012 and the Catalist Rules, except where otherwise stated.

BOARD OF DIRECTORS

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

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

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

Principle 10 – The Board should present a balanced and understandable assessment of the company’s performance, position and prospects.

The Board is responsible for setting the strategic direction for the Company. Every director of the Company (“**Director**”) is expected to always act in good faith and in the best interests of the Company.

The Board currently comprises five (5) Directors, two (2) of whom are executive directors and three (3) of whom are non-executive independent directors, and whose collective experience and contributions are valuable to the Company.

The Board members as at the date of this report are:

Name of Director	Appointment	Date appointed
Mr. Chin Bay Ching	Chairman and Executive Director	25 July 2014
Ms Kum Ping Wei	Executive Director	30 May 2013
Mr. Gersom G Vetuz	Non-Executive Independent Director	15 September 2008
Mr. Loh Eu Tse Derek	Non-Executive Independent Director	25 July 2014
Ms Tan Soh Hoong	Non-Executive Independent Director	13 October 2014

The profiles of our Directors can be found on pages 4 to 6 of this Annual Report.

The Board reviews the composition of the Board and Board Committees annually. The Board has examined its size and is of the view that the current arrangement is adequate and sufficient for effective decision-making given that the independent directors form more than half of the Board composition. The Board adopts the Code 2012’s definition of an independent director and reviews this on an annual basis. Each independent director is required to complete a Confirmation of Independence annually to confirm his independence based on the guidelines as set out in the Code 2012. The Nominating Committee (“**NC**”) is of the view that the three (3) non-executive independent directors, Mr. Gersom G Vetuz, Mr. Loh Eu Tse Derek and Ms Tan Soh Hoong, are independent. The non-executive independent directors are respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary.

CORPORATE GOVERNANCE REPORT

None of the non-executive independent directors has served on the Board beyond nine (9) years from the date of his first appointment.

The non-executive independent directors have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company and its shareholders.

The Company recognises and embraces the benefits of diversity of Board members. This is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The selection of candidates is based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The current composition of the Board provides gender diversity with two (2) female Directors, namely, Ms Kum Ping Wei, an executive director and Ms Tan Soh Hoong, a non-executive independent director, on the Board. Each Director has been appointed based on the strength of his/her calibre and experience. As a group, the Directors possess core competencies such as accounting, finance, business, investment, legal and management experience, industry knowledge and strategic planning experience. Collectively, they provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs.

To date, none of the non-executive independent directors of the Company have been appointed as a Director of the Company's subsidiaries. The Board and the management of the Company (the "**Management**") are of the view that the current board structures in the Company's subsidiaries are already well organized and constituted. The Board and the Management will from time to time renew the Board structures of the Company's subsidiaries and will consider the appointment of any of the independent directors into the Company's subsidiaries.

BOARD MATTERS

The Board is entrusted with the responsibility for the overall management of the Company. The Board's primary responsibilities include review and approval of policy guidelines, setting directions to ensure that the strategies undertaken will lead to enhanced shareholders' wealth.

The following matters require the Board's approval:

- statutory requirements such as approval of annual report and financial statements;
- other requirements such as half year and full year results announcements;
- corporate strategic directions, strategies and action plans;
- issuance of key policies and key business initiatives;
- authorisation of acquisition/disposal and other material transactions;
- declaration of interim dividends and proposal of final dividends; and
- convening of Shareholders' Meetings.

The Directors have separate and independent access to the Company Secretary and the external auditors at all times. The Company currently does not have a formal procedure to seek independent and professional advice for the furtherance of the Board's duties. However, the Directors may, on a case-to-case basis, propose to the Board for such independent and professional advice, the cost of which will be borne by the Company.

CORPORATE GOVERNANCE REPORT

The Company Secretary assists in the conduct of Board meetings and ensures that Board procedures are adhered to. The Company Secretary will also ensure that the requirements of the Companies Act, Chapter 50 of Singapore (the “**Act**”) and all other rules and regulations of the SGX-ST are complied with.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other professional consultants on the continuing obligations and various requirements expected of a public company. A newly appointed Director will receive a thorough briefing by existing Directors of the Group’s business and governance practices.

The Directors are provided with briefings from time to time and are kept updated on relevant laws and regulations, including directors’ duties and responsibilities, corporate governance and developing trends, insider trading and financial reporting standards and are encouraged to attend workshops and seminars to enhance their skills and knowledge, so as to enable them to properly discharge their duties as Board or Board committee members. The Directors also receive updates on the business of the Group through regular scheduled meetings and *ad-hoc* Board meetings.

During the financial year, the external auditors have briefed the Audit Committee members on developments in accounting and governance standards and Audit Committee members have provided such updates to the Board members. In addition, the Chairman and Executive Director constantly update Board members on business and strategic developments of the Group and overview of the industry trends at regular schedule meetings and *ad-hoc* Board meetings. Directors can request for further explanations, briefings or information on any aspects the Group’s business issues from the Management.

In recognition of the high standard of accountability to our shareholders, the Directors have established various board committees, namely, NC, Remuneration Committee (“**RC**”) and Audit Committee (“**AC**”). These committees function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board. The effectiveness of each committee will also be constantly reviewed by the Board.

All members of the AC and RC are non-executive independent directors. The NC is chaired by a non-executive independent director and the majority of the members are non-executive independent directors.

DIRECTORS’ ATTENDANCE AT BOARD, AUDIT COMMITTEE, NOMINATING COMMITTEE AND REMUNERATION COMMITTEE MEETINGS

During the financial year ended 31 December 2015, the number of meetings held and the attendance of each member of the Board and Board committees are as follows:

	Board	AC	NC	RC
Number of meetings held	2	2	1	1
Director	Number of meetings attended			
Mr. Chin Bay Ching	2	–	1	–
Ms. Kum Ping Wei	2	–	–	–
Mr. Gersom G Vetuz	2	2	–	1
Mr. Loh Eu Tse Derek	2	2	1	1
Ms Tan Soh Hoong	2	2	1	1

CORPORATE GOVERNANCE REPORT

Chairman and Executive Directors

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

The Company is cognizant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer (“**CEO**”) or the CEO equivalent, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Currently, the Company does not have a CEO.

The Board consists of three (3) non-executive independent directors and two (2) executive directors. This composition serves as a check that the Board as a whole is independent in substance, and that the power and authority of the Board does not vest in only one person.

Currently, the Company does not have a Lead Independent Director. Nonetheless, the non-executive independent directors meet periodically without the presence of the other directors and thereafter, provide feedback to the Chairman after such meetings.

Mr. Chin Bay Ching (“**Mr. Chin**”) discharges his duty as Chairman and Executive Director of the Board objectively with the help of other Board members. He plays a role in mapping out the directions for the Group’s growth at a strategic level and business development. Mr. Chin also exercises control over the quality and timeliness of information flow between the Management and the Board. He chairs Board meetings and monitors the translation of the Board’s decisions to the Management. He ensures effective communication with shareholders at the shareholders’ meetings. In addition, he promotes high standards of corporate governance in compliance with the Code 2012.

Ms Kum Ping Wei (“**Ms. Kum**”) assists Mr. Chin in overall strategic planning, business development and growth of the Group. Ms Kum has full executive responsibilities for the day-to-day operations of the Company. She ensures that the Board members are provided with accurate and timely information.

Nominating Committee

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

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

The NC comprises the following members:

Mr. Loh Eu Tse Derek	–	Chairman, Non-Executive Independent Director
Ms. Tan Soh Hoong	–	Member, Non-Executive Independent Director
Mr. Chin Bay Ching	–	Member, Executive Director

The NC comprises two (2) non-executive independent directors and one (1) executive director, a majority of whom, including the Chairman, is independent. There is no alternate director on the Board.

CORPORATE GOVERNANCE REPORT

The NC's principal functions are as follows:

- (a) review the Board's structure, size and composition;
- (b) identify suitable candidates and to review all nominations for appointments and re-election to the Board;
- (c) determine the independence status of the directors annually;
- (d) determine whether or not a director is able to and has been adequately carrying out his duties as a director of the Company;
- (e) evaluate the performance and effectiveness of the Board as a whole and the contribution of each director;
- (f) review of board succession plans for Directors, in particular, the Chairman and CEO and make recommendations to the Board with regards to any adjustments that are deemed necessary; and
- (g) review the training and professional development programs for the Board from time to time.

The NC is satisfied that the current structure, size and composition of the Board is adequately able to meet the Company's existing scope of needs and the nature of operations. From time to time, the NC will review the appropriateness of the current size of the Board, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

New directors are appointed by way of a Board resolution, upon their nomination by the NC. In its search and selection process for new directors, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates. The NC appraises the nominees to ensure that the candidates possess relevant background, experience, knowledge in the business, competencies in finance and management skills critical to the Group and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group. In accordance with the Company's Articles of Association (the "**Articles**"), the new Directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting ("**AGM**"). This will enable all shareholders to exercise their rights in selecting all Board members.

Apart from the requirements by the Company's Articles, the NC also reviews the re-election of directors taking into consideration the Directors' attendances and participation at the Board meetings, personal attributes, and contributions towards issues from time to time.

The NC has recommended the following Directors to retire pursuant to Article 95 of the Company's Articles and Section 153(6)* of the Act. Each of the Directors being eligible for re-election and having consented, have been nominated for re-appointment at the forthcoming AGM:

Name of Director	Appointment	Date appointed	Article/ Section
Mr. Chin Bay Ching	Chairman and Executive Director	25 July 2014	Article 95
Mr. Gersom G Vetuz	Non-Executive Independent Director	15 September 2008	Section 153(6)*

* which was in force immediately before 3 January 2016

There is no relationship (including immediate family relationships) between Mr. Chin Bay Ching and Mr. Gersom G Vetuz nor any of them with the other Directors, the Company or its 10% shareholders.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he/she has an interest.

CORPORATE GOVERNANCE REPORT

All Directors are required to declare their board representations as at the date of this Annual Report. The date of initial appointment and last re-election of each Director to the Board together with his directorships in other listed companies, both current and those held over the preceding three (3) years, are set out below:

Director	Date of initial appointment	Date of last re-elected as Director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Details of Other Principal Commitment, if any
Mr. Chin Bay Ching	25 July 2014	30 April 2015	–	–	–
Ms Kum Ping Wei	30 May 2013	30 April 2015	–	–	–
Mr. Gersom G Vetuz	15 September 2008	30 April 2015	–	–	–
Mr. Loh Eu Tse Derek	25 July 2014	30 April 2015	Vibrant Group Limited Metech International Limited Vietnam Enterprise Investments Limited	–	Partner, TSMP Law Corporation
Ms Tan Soh Hoong	13 October 2014	30 April 2015	–	–	–

The NC is aware that some of the Directors do hold multiple directorships as each of them are required to disclose their other directorships to the Board, upon appointment and cessation. The NC has reviewed, taking into account the individual performance assessment and their actual conduct on the Board, and is satisfied that the Directors with multiple board representations have given adequate time and attention to the Company's affairs during the year under review. As time requirements of each director are subjective, the NC has decided not to fix a maximum limit on the number of directorships a director may hold. The NC considers that the representations presently held by its Directors do not impede their respective capabilities in carrying out their duties of the Company.

The NC is of the view that the contribution and performance assessment of the Directors should not be restricted to the number of board representations, but should also take into account his time commitments to the Board, participation and attendance at meetings. Therefore, the NC will from time to time, evaluate their performance to ensure that each Director has devoted adequate and sufficient time to carry out his duties and responsibilities effectively, taking into consideration the Director's other board representations and/or principal commitments.

At as the date of this Annual Report, the NC has adopted a formal process to assess the effectiveness of the Board as a whole. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out annually.

During the financial year, all Directors are requested to complete an Individual Self-assessment Checklist and a Board Evaluation Questionnaire designed to seek their views on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board. The completed checklist and evaluation forms were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board's effectiveness. Following the review, the Board is of the view that the current Board operates effectively.

The performance criteria for the board evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, and board performance in relation to discharging its principal functions.

Directors are encouraged to attend relevant training programmes conducted by accounting and other professional bodies and associations. They are continually updated with pertinent developments including changes in laws and regulations, code of corporate governance, financial reporting standards and industry-related matters.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

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

The RC comprises the following members:

Ms Tan Soh Hoong	–	Chairman, Non-Executive Independent Director
Mr. Gersom G Vetuz	–	Member, Non-Executive Independent Director
Mr. Loh Eu Tse Derek	–	Member, Non-Executive Independent Director

Pursuant to the Code 2012, the RC comprises all non-executive independent directors.

The RC is governed by written terms of reference under which RC is responsible for:

- (a) the review and recommendation to the Board a general framework of remuneration for the Board and key management personnel;
- (b) the review and recommendation of specific remuneration package for each director and key management personnel;
- (c) the review of all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, the options to be issued under the share option scheme, the awards to be granted under the share plan and other benefit-in-kind (where applicable);
- (d) the review of remuneration of senior management and would cover all aspects of remuneration including salaries, allowances, bonuses, options and benefit in-kind, where applicable;
- (e) the review and recommendation to the Board of the terms of renewal of service contracts of directors; and
- (f) the review of termination clauses in the contracts of service for the executive directors and key management personnel (in the case of termination) to ensure termination clauses are fair and reasonable.

The RC's tasks include reviewing and deliberating the compensation packages of Board members as well as key management in the Company and the Group. Each Director will abstain from voting on any resolutions in respect of his remuneration or that of employees related to directors and/or substantial shareholders. The RC may obtain expert professional advice on remuneration matters, if required. No expert advice was sought in FY2015.

All recommendations of the RC will be submitted for endorsement by the entire Board. In determining the remuneration packages of the Executive Director and key management, the RC will ensure that the packages are designed to adequately, but not excessively, reward individuals.

The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

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

CORPORATE GOVERNANCE REPORT

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

The Company adopted the objectives as recommended by the Code 2012 to determine the framework and levels of remuneration for directors and key management personnel so as to ensure that it is competitive and sufficient to attract, retain and motivate directors and senior management of the required experience and expertise to run the Group successfully, without being excessive.

In addition to the above, the Company ensures that a performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management and in order to promote the long term success of the Company.

The Company had taken appropriate and meaningful measures in assessing the executive directors and key management personnel performance.

The RC has reviewed the executive directors and key management personnel who are eligible for benefits under the long term incentive scheme. The long term incentive scheme of the Company was the Adventus Employee Share Option Scheme (the “Scheme”) was approved and adopted on 30 April 2015.

Other than the above, the executive directors receive directors’ fees, in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and the Board committees. The directors’ fees are recommended by the Board for approval at the AGM.

The executive directors of the Company, Mr. Chin Bay Ching and Ms Kum Ping Wei have entered into separate service agreements with the Company which are reviewed annually (unless otherwise terminated by either party giving not less than three (3) months’ notice to the other). The service agreements cover the terms of employment and specifically, the salaries and bonuses.

The non-executive independent directors do not have any service agreements with the Company. Except for directors’ fees, which have to be approved by shareholders at AGMs, the non-executive independent directors do not receive any other forms of remuneration from the Company.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to all available actions against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

The breakdown of the remuneration of Directors paid for the financial year ended 31 December 2015 is as follows:

Remuneration Band and Name of Director	Remuneration (S\$’000)	Salary ⁽¹⁾	Bonus ⁽²⁾	Directors’ fees ⁽³⁾
<u>\$250,000 to below \$500,000</u>				
Mr. Chin Bay Ching	267	81%	–	19%
<u>Below \$250,000</u>				
Ms Kum Ping Wei	249	86%	–	14%
Mr. Gersom G Vetuz	45	–	–	100%
Mr. Loh Eu Tse Derek	40	–	–	100%
Ms. Tan Soh Hoong	40	–	–	100%

⁽¹⁾ Salary is inclusive of allowances, CPF and other emoluments.

⁽²⁾ Bonus is inclusive of CPF.

⁽³⁾ Directors’ fees payable in cash, in 2016, for being a Director in FY2015. This is subject to shareholders’ approval at the AGM of the Company to be held on 29 April 2016.

CORPORATE GOVERNANCE REPORT

During the financial year, the performance conditions and criteria used to determine the executive directors and key management personnel entitlement under the short term and long term incentive schemes have been met. There are currently no termination, retirement, or post-employment benefits that may be granted to the Directors and key management personnel.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term incentive (such as performance bonus)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	Profit before tax

The RC has reviewed and is satisfied that the performance conditions were met for FY2015.

The profile of each of the key management is set out on Page 7 of this Annual Report.

The remuneration of each of the key management of the Group (excluding Directors) does not exceed \$250,000 for the financial year ended 31 December 2015.

Remuneration band of key management staff	Salary ⁽¹⁾	Bonus ⁽²⁾	Benefits
Below \$250,000			
Mr. Thomas Liu Kong Wah	100%	–	–
Ms Ng Lay Bee	90%	10%	–
(who are not Directors of the Company)			

⁽¹⁾ Salary is inclusive of allowances, CPF and other emoluments.

⁽²⁾ Bonus is inclusive of CPF.

The aggregate remuneration paid to the top two key management personnel (who are not directors or the CEO) for the year 2015 is S\$249,803.

EMPLOYEE SHARE OPTION SCHEME

The Scheme is a share incentive scheme and provides an opportunity for eligible employees and directors of the Company and its subsidiaries, other than employees who are substantial shareholders of the Company, to participate in the equity of the Company and to motivate them to a greater dedication, loyalty and higher standards of performance.

The Scheme was approved and adopted by members of the Company at the Extraordinary General Meeting (“EGM”) held on 30 April 2015. The Scheme will expire on 30 April 2025. The Scheme is administered by the RC comprising the following (3) members:-

Ms. Tan Soh Hoong	–	Chairman, Non-Executive Independent Director
Mr. Gersom G Vetuz	–	Member, Non-Executive Independent Director
Mr. Loh Eu Tse Derek	–	Member, Non-Executive Independent Director

Under the Scheme, selected employees and directors of the Group are eligible to participate in the Scheme at the discretion of the RC. Controlling shareholders and their associates (as defined in the Catalist Rules) are not eligible participate in the Scheme.

CORPORATE GOVERNANCE REPORT

During the year under review, there were no options granted by the Company and there is no outstanding options granted by the Company.

REMUNERATION OF OTHER EMPLOYEES RELATED TO A DIRECTOR

None of the employees of the Group whose annual remuneration exceeds \$50,000 are immediate family members of any other Director as at 31 December 2015. Currently, the Company does not have a CEO.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The Board has approved a Group Risk Management Framework for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework.

The AC has been assigned by the Board to oversee risk governance and the related roles and responsibilities include the following:

- proposes the risk governance approach and risk policies for the Group to the Board;
- reviews the risk management methodology adopted by the Group;
- reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by management; and
- review management's assessment of risks and management's action plans to mitigate such risks.

Management presented an annual report to the AC and the Board on the Group's risk profile, the status of risk mitigation action plans and the results of various assurance activities carried out on the adequacy of Group's internal controls including financial, operational, compliance and information technology controls. Such assurance activities include controls self-assessment performed by Management, internal, external audits and external certifications conducted by various external professional service firms.

The Board has obtained written confirmations from the Chairman and Group Finance Manager:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) regarding the effectiveness of the Group's risk management systems and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal, external auditors and external certification firms and reviews performed by management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, were adequate as at 31 December 2015.

CORPORATE GOVERNANCE REPORT

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

AUDIT COMMITTEE

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

The AC comprises three (3) Board members, all of whom are non-executive and independent directors. The members are:

Mr. Gersom G Vetuz	-	Chairman, Non-Executive Independent Director
Mr. Loh Eu Tse Derek	-	Member, Non-Executive Independent Director
Ms. Tan Soh Hoong	-	Member, Non-Executive Independent Director

The AC carried out its functions in accordance with Section 201B(5) of the Act, and has been entrusted with the following functions:

- (a) review with the internal and external auditors the audit plans, their evaluation of the system of internal controls, audit report and management letter;
- (b) review the financial statements before release to external and relevant parties;
- (c) review the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;
- (d) review the co-operation given by the Company's officers to the auditors;
- (e) review the legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and programs and reports received from the regulators;
- (f) review the cost effectiveness and independence and objectivity of the auditors;
- (g) review the nature and extent of non-audit services, if any, provided by the external auditors and seek to balance the maintenance of objectivity and value for money;
- (h) nominate the appointment of external auditor; and
- (i) review and ratify all interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted at arm's length basis.

The AC meets at least two (2) times a year and as frequently as is required. In particular, the AC meets to review the financial statements before announcement. In the year under review, the AC has met to review and approve the audit plan, the half year and full year unaudited results for announcement purposes.

The AC may meet with the auditors at any time, without the presence of the Management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of a regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

CORPORATE GOVERNANCE REPORT

At least once a year, the internal and external auditors will meet separately with the AC without the presence of the Management.

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

The AC reviews the independence and objectivity of external auditors annually. During the financial year under review, the AC has reviewed the independence of Deloitte & Touche LLP and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. During the financial year under review, the aggregate amount of fees payable to the external auditors for the audit services amounted to S\$132,211. There were no fees paid by the Group nor the Company to the external auditors for non-audit services during the financial year under review.

The AC has recommended, and the Board has approved, the nomination for re-appointment of Deloitte & Touche LLP as the external auditors of the Company at the forthcoming AGM. Messrs TY Teoh & Company are the appointed external auditors of a subsidiary of the Company, Eternal Exposure Sdn Bhd, which is incorporated in Malaysia. The Board and AC are satisfied that the appointment of different external auditors would not compromise the standard and effectiveness of the audit of the Company, and that Rules 712 and 716 of the Catalist Rules have been complied with. Any interested party transaction for the financial year under review will be duly disclosed.

As at the date of this report, none of the former partners or directors of the Company's external auditor's firm has been appointed as a member of the AC.

Whistle Blowing Policy

The Company has adopted a Whistle Blowing Policy to provide a channel for employees of the Group and external parties to report, in good faith and in confidence, their concerns about possible improprieties relating to financial reporting or on other matters. The AC exercises the overseeing function over the administration of the Whistle Blowing Policy. The Whistle-Blowing Policy provides for procedures to ensure that:

- Independent investigations are carried out in an appropriate and timely manner;
- Appropriate action is taken to correct the weakness in internal controls and policies that allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

The Whistle-Blowing Policy has been circulated to all employees. As at the date of this Annual Report, there were no reports received through the whistle blowing mechanism.

CATALIST SPONSOR

Pursuant to Rule 1204(21) of the Catalist Rules, the Company wishes to disclose that there was no non-sponsorship fee paid to the Sponsor, Stamford Corporate Services Pte. Ltd, for the year under review.

CORPORATE GOVERNANCE REPORT

INTERNAL AUDIT

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

The Group outsources its internal audit function to Yang Lee & Associates (“IA”). The IA reports directly to the AC and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions are reported to the AC periodically.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group’s activities. It also oversees the implementation of the internal audit plan and ensures that the Management provides the necessary co-operation to enable the IA to perform its function.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

The AC annually reviews the adequacy of the internal audit function to ensure that the internal audits are performed effectively.

The IA completed one (1) review during the financial year ended 31 December 2015 in accordance with the internal audit plan approved by the AC.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

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

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

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

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Company’s new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on the SGX-ST’s website.

The Board is mindful of its obligations to provide its shareholders with timely disclosure of material information presented in a fair and objective manner.

The Company does not practice selective disclosure. Price sensitive information is promptly released on SGXNET. Financial results and annual reports are announced or issued within the mandatory periods.

In line with the continuing obligations of the Company pursuant to the Catalist Rules and the Act, the Board’s policy is that all shareholders would be equally informed of all major developments and/or transactions impacting the Group. The Company is committed to disclose as much relevant information as it is possible, in a timely, fair and transparent manner, to its shareholders.

All shareholders of the Company will receive a copy of the annual report, the notice of general meeting and circular and notice pertaining to any extraordinary general meeting of the Company.

To promote a better understanding of shareholders’ views, shareholders are encouraged to attend the general meetings to ensure a greater level of shareholders’ participation and for them to be kept up to date with the strategies and goals of the Group. Shareholders are given opportunities at the general meetings of the Company to voice their views and query the Directors and the Management on matters relating to resolutions or matters relating to the Group and its operations.

CORPORATE GOVERNANCE REPORT

The Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management. The Chairman of the Board, AC, RC and NC will normally be present at the general meetings to answer any questions relating to the work of their respective committees. The external auditors are also present to assist the Directors in addressing queries from the shareholders on the conduct of audit and the preparation and content of the auditors' report.

To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company or to appoint not more than two (2) proxies to attend and vote on their behalf. Separate resolutions on each distinct issue are tabled. The voting procedures are clearly explained during the general meetings.

Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and Management are prepared and made available to the shareholders upon request.

The Company will put all resolutions to vote by poll at the upcoming AGM in compliance with the Catalist Rules.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. The Group has incurred a loss during the financial year under review. Accordingly, there was no proposed dividend declared.

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has procedures in place on dealings in securities, whereby there should be no dealings in the Company's shares by its officers on short-term considerations and during the period commencing one (1) month prior to the announcement of the Company's half year and full year results and ending on the date of announcement of the results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods and are not to deal in the Company's securities on short term considerations. The implications of insider trading are clearly set out in the procedures and guidelines.

INTERESTED PERSON TRANSACTIONS

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

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) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
N/A	N/A	N/A

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts of the Company or any of its subsidiaries involving the interest of the Chairman or any director or controlling shareholder that were (i) entered into since the end of the previous financial year under review and up to the date of this report; or (ii) subsisting as at 31 December 2015.

<i>Date of contract</i>	<i>Names of parties</i>	<i>Description</i>	<i>Contract Amount</i>	<i>Salient terms and conditions</i>
29 October 2015	(1) Lender: Ms Ng Lay Bee (2) Borrower: Micro Screen Production Pte Ltd	Loan Agreement	Loan amount of S\$50,000	<ul style="list-style-type: none"> - The interest is chargeable at 5% per annum (pro-rated on calendar days of 365 days). - The loan tenure is 3 months and is repayable on demand. - No Security - Loan remained outstanding as at 31 December 2015.
30 November 2015	(1) Lender: Ms Ng Lay Bee (2) Borrower: Micro Screen Production Pte Ltd	Loan Agreement	Loan amount of S\$120,000	<ul style="list-style-type: none"> - The interest is chargeable at 5% per annum (pro-rated on calendar days of 365 days). - The loan tenure is 3 months and is repayable on demand. - No Security - Loan remained outstanding as at 31 December 2015.
22 December 2015	(1) Lender: Ms Ng Lay Bee (2) Borrower: Micro Screen Production Pte Ltd	Loan Agreement	Loan amount of S\$60,000	<ul style="list-style-type: none"> - The interest is chargeable at 5% per annum (pro-rated on calendar days of 365 days). - The loan tenure is 3 months and is repayable on demand. - No Security - Loan remained outstanding as at 31 December 2015.

CORPORATE GOVERNANCE REPORT

USE OF PROCEEDS

As at the beginning of the financial year ended 31 December 2015, the Company had balance proceeds of S\$1.254 million, which was raised from a placement in October 2010. The balance proceeds of S\$1.254 million were used for working capital purposes, as set out below:

	<u>S\$'000</u>
Balance as at 1 Jan 2015	1,254
Payments for director and staff expenses	(556)
Payments for operational costs	(402)
Payments for professional fee and other compliance costs	(296)
Balance as at 31 December 2015	<u>0</u>

As at the beginning of the financial year ended 31 December 2015, the Company had net proceeds of S\$18.25 million, comprising S\$14.16 million which was raised from a placement in March 2014, and S\$4.09 million which was raised from a warrant conversion exercise in December 2014. Out of the net proceeds of S\$18.25 million, S\$16.229 million were used for the following purposes, as set out below:

<u>Use of Proceeds</u>	<u>Amount Allocated S\$</u>	<u>Amount Utilised S\$</u>	<u>Amount Unutilised S\$</u>
(A) Net proceeds from share placement			
Undertaking of future acquisitions	11,868	11,868	–
Payment of Professional fees	2,292	1,051	1,241
(B) Net proceeds from warrant conversion			
Administrative expenses	4,090	3,310	780
Total	18,250	16,229	2,021

STATEMENT OF COMPLIANCE

The Board confirms that for the financial year ended 31 December 2015, the Company has generally adhered to the principles and guidelines as set out in the Code 2012 and the Catalist Rules where it is applicable and practical to the Company.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2015.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 29 to 79 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Chin Bay Ching
Kum Ping Wei
Gersom G Vetuz
Loh Eu Tse Derek
Tan Soh Hoong

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 4 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings in the name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>The Company</u> (Ordinary shares)				
Chin Bay Ching	82,942,256	82,942,256	911,797,103	911,797,103
Kum Ping Wei	–	–	236,365,772	249,865,772
Gersom G Vetuz	2,200,000	2,200,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Chin Bay Ching is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at January 21, 2016 were the same as at December 31, 2015.

DIRECTORS' STATEMENT

4 SHARE OPTIONS AND WARRANTS

(a) *Options to take up unissued shares*

At an Extraordinary General Meeting of the Company held on December 29, 2008, the shareholders approved the amendments to the SNF 2004 Share Option Scheme (the "Scheme"). Under the amended Scheme, the Company may grant options to executive directors and employees of the Group who have contributed to the success and development of the Group to subscribe for ordinary shares in the Company provided that the aggregate number of shares over which the Company may grant on any date, when added to the number of shares issued or issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company on the date preceding the grant of the options. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% of the Market Price which is defined as the average of last dealt price for the shares by reference to the official list published by the SGX-ST for the 5 consecutive days immediately preceding the offer date of such options. The Scheme was administered by the Remuneration Committee ("RC").

In the event that the options are given a discount, then the vesting periods shall be two years from date of grant. If no discount is given, the vesting period shall be one year from the date of grant.

(b) *Unissued shares under options and options exercised*

Date options granted	At January 1, 2015	Granted during the year	Exercised during the year	Expired during the year	Lapsed during the year	At December 31, 2015	Exercise price per share	Number of option holders	Period exercisable
16.08.2007	500,000	-	-	-	-	500,000	0.095	1	16.08.2008 – 16.08.2017
05.03.2010	640,000	-	-	-	-	640,000	0.035	3	05.03.2011 – 05.03.2020
15.08.2011	40,000	-	-	-	-	40,000	0.0183	1	15.08.2012 – 15.08.2021
23.05.2012	1,000,000	-	-	-	-	1,000,000	0.022	5	23.05.2013 – 23.05.2022
	<u>2,180,000</u>	-	-	-	-	<u>2,180,000</u>			

Particulars of the options granted in 2007, 2010, 2011 and 2012 under the scheme were set out in the Report of the Directors for the financial year ended December 31, 2007, December 31, 2010, December 31, 2011 and December 31, 2012 respectively.

The information on director of the Company participating in the Scheme is as follows:

Director	Number of options to subscribe for ordinary shares				
	Aggregate options granted during the year ended December 31, 2015	Aggregate options granted since commencement to December 31, 2015	Aggregate options exercised since commencement to December 31, 2015	Aggregate lapsed/forfeited since commencement to December 31, 2015	Aggregate options outstanding at December 31, 2015
Gersom G Vetuz	-	2,200,000	(2,200,000)	-	-

DIRECTORS' STATEMENT

4 SHARE OPTIONS AND WARRANTS (cont'd)

(b) *Unissued shares under options and options exercised (cont'd)*

No employee or director of the Company or its related corporations has received 5% or more of the total options available under the scheme.

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Listing Manual).

The Scheme expired on February 16, 2014. The Company held an Extraordinary General Meeting on April 30, 2015 where shareholders approved a new employee share option scheme, called the Adventus Employee Share Option Scheme ("the New Scheme"). As at December 31, 2015, no options have been granted under the New Scheme.

(c) *Unissued shares under option and warrant*

At the end of the financial year, there were no unissued shares of the Company under option and warrant.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Chin Bay Ching

.....
Gersom G Vetuz

Date: April 4, 2016

INDEPENDENT AUDITORS' REPORT

To the members of Adventus Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Adventus Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at December 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 79.

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 financial statements and to maintain accountability of assets.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT

To the members of Adventus Holdings Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company 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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: April 4, 2016

STATEMENTS OF FINANCIAL POSITION

December 31, 2015

	Note	Group		Company	
		2015	2014	2015	2014
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	6	1,093,081	20,161,808	851,405	19,972,418
Trade receivables	7	627,838	490,345	–	–
Other receivables and prepayments	8	8,731,808	195,529	17,578,903	76,623
Inventories	9	722,194	808,507	–	–
Held-for-trading investments	10	1,184,375	1,233,738	1,184,375	1,233,738
		12,359,296	22,889,927	19,614,683	21,282,779
Assets classified as held for sale	11	53,714,843	–	–	–
Total current assets		66,074,139	22,889,927	19,614,683	21,282,779
Non-current assets					
Subsidiaries	12	–	–	1,121,741	1,121,091
Goodwill	13	–	–	–	–
Property, plant and equipment	14	3,133,843	3,549,169	8,641	19,481
Total non-current assets		3,133,843	3,549,169	1,130,382	1,140,572
Total assets		69,207,982	26,439,096	20,745,065	22,423,351
LIABILITIES AND EQUITY					
Current liabilities					
Interest-bearing loan	15	68,655	65,514	–	–
Finance leases	16	628	124,854	–	–
Trade payables	17	318,209	415,853	–	–
Other payables	18	7,797,515	1,071,049	497,191	602,199
		8,185,007	1,677,270	497,191	602,199
Liabilities directly associated with assets classified as held for sale	11	40,097,491	–	–	–
Total current liabilities		48,282,498	1,677,270	497,191	602,199
Non-current liabilities					
Interest-bearing loan	15	1,013,789	1,082,261	–	–
Other payables	18	6,409	6,097	–	–
Deferred tax liabilities	19	220,555	230,580	–	–
Total non-current liabilities		1,240,753	1,318,938	–	–
Capital and reserves					
Share capital	20	52,411,370	52,411,370	52,411,370	52,411,370
Statutory reserve		119,135	119,135	–	–
Translation reserve		82,810	24,495	–	–
Share options reserve		26,845	26,845	26,845	26,845
Accumulated losses		(31,932,881)	(29,136,377)	(32,190,341)	(30,617,063)
Net equity attributable to owners of the Company		20,707,279	23,445,468	20,247,874	21,821,152
Non-controlling interests		(1,022,548)	(2,580)	–	–
Total equity		19,684,731	23,442,888	20,247,874	21,821,152
Total liabilities and equity		69,207,982	26,439,096	20,745,065	22,423,351

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended December 31, 2015

	Note	Group	
		2015 \$	2014 \$
Continuing operations:			
Revenue	21	4,283,669	4,652,030
Cost of sales		(3,156,314)	(3,860,768)
Gross profit		1,127,355	791,262
Other operating income	22	1,112,641	266,194
Other expenses	23	(49,363)	(11,262)
Distribution and selling expenses		(59,338)	(94,696)
Administrative expenses		(3,310,372)	(3,277,329)
Finance costs	24	(63,606)	(86,766)
Loss before income tax		(1,242,683)	(2,412,597)
Income tax credit	25	10,025	17,631
Loss for the year from continuing operations		(1,232,658)	(2,394,966)
Discontinued operations:			
Loss for the year from discontinued operations	27	(2,933,763)	-
Loss for the year	26	(4,166,421)	(2,394,966)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations, representing other comprehensive income, net of tax		30,694	9,947
Total comprehensive loss for the year		(4,135,727)	(2,385,019)
Loss for the year attributable to:			
Owners of Company		(2,796,504)	(2,392,610)
Non-controlling interests		(1,369,917)	(2,356)
		(4,166,421)	(2,394,966)
Total comprehensive loss attributable to:			
Owners of Company		(2,738,189)	(2,382,663)
Non-controlling interests		(1,397,538)	(2,356)
		(4,135,727)	(2,385,019)
Loss per share			
- basic and diluted	28	(0.14) cents	(0.16) cents

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2015

	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2014	31,750,964	1,382,646	119,135	14,548	105,993	(26,743,767)	6,629,519	–	6,629,519
Total comprehensive loss for the year	–	–	–	–	–	(2,392,610)	(2,392,610)	(2,356)	(2,394,966)
Loss for the year	–	–	–	9,947	–	–	9,947	–	9,947
Other comprehensive income for the year	–	–	–	–	–	–	–	–	–
Total	–	–	–	9,947	–	(2,392,610)	(2,382,663)	(2,356)	(2,385,019)
Transaction with owners recognised directly in equity	–	–	–	–	–	–	–	–	–
Non-controlling interest arising from acquisition of a subsidiary (Note 31)	14,437,500	–	–	–	–	–	–	(224)	(224)
Issue of share (Note 20)	(273,719)	–	–	–	–	–	14,437,500	–	14,437,500
Share issuance cost (Note 20)	224,880	–	–	–	–	–	(273,719)	–	(273,719)
Exercise of share options (Note 29)	6,271,745	(1,382,646)	–	–	(79,148)	–	145,732	–	145,732
Exercise of warrants (Note 30)	20,660,406	(1,382,646)	–	–	(79,148)	–	4,889,099	–	4,889,099
Total	52,411,370	–	119,135	24,495	26,845	(29,136,377)	23,445,468	(2,580)	23,442,888

Balance at December 31, 2014

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2015

Group	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interests	Total
Balance at January 1, 2015	52,411,370	-	119,135	24,495	26,845	(29,136,377)	23,445,468	(2,580)	23,442,888
Total comprehensive loss for the year	-	-	-	-	-	(2,796,504)	(2,796,504)	(1,369,917)	(4,166,421)
Loss for the year	-	-	-	58,315	-	-	58,315	(27,621)	30,694
Other comprehensive income for the year	-	-	-	58,315	-	(2,796,504)	(2,738,189)	(1,397,538)	(4,135,727)
Total	-	-	-	-	-	-	-	377,570 ⁽¹⁾	377,570
Balance at December 31, 2015	52,411,370	-	119,135	82,810	26,845	(31,932,881)	20,707,279	(1,022,548)	19,684,731

Non-controlling interest arising from incorporation of subsidiaries, representing transaction with owners, recognised directly in equity

⁽¹⁾ As referred to in Note 11 to the financial statements, the non-controlling interest amounting to \$377,220 represents the proceeds on issuance of shares of Vinacon Investment and Development Company Limited to two Vietnamese which was paid in 2015. The remaining amount of \$350 represents the proceeds on issuance of shares to non-controlling shareholder of Crimson Star Development Pte Ltd, which remains payable as at December 31, 2015.

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2015

	Share capital	Warrant reserve	Share options reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<u>Company</u>					
Balance at January 1, 2014	31,750,964	1,382,646	105,993	(29,460,399)	3,779,204
Loss for the year, representing total comprehensive loss for the year	-	-	-	(1,156,664)	(1,156,664)
Transaction with owners recognised directly in equity					
Issue of share (Note 20)	14,437,500	-	-	-	14,437,500
Share issuance cost (Note 20)	(273,719)	-	-	-	(273,719)
Exercise of share options (Note 29)	224,880	-	(79,148)	-	145,732
Exercise of warrants (Note 30)	6,271,745	(1,382,646)	-	-	4,889,099
Total	20,660,406	(1,382,646)	(79,148)	-	19,198,612
Balance at December 31, 2014	52,411,370	-	26,845	(30,617,063)	21,821,152
Loss for the year, representing total comprehensive loss for the year	-	-	-	(1,573,278)	(1,573,278)
Balance at December 31, 2015	52,411,370	-	26,845	(32,190,341)	20,247,874

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2015

	Group	
	2015	2014
	\$	\$
Operating activities		
Loss before income tax	(4,176,446)	(2,412,597)
Adjustments for:		
Foreign exchange loss, net	(540,648)	–
Allowance for inventories	4,698	113,075
Reversal of allowance for inventories	–	(83,781)
(Reversal of allowance) Allowance for doubtful receivables	(7,265)	29,917
Depreciation of property, plant and equipment	389,993	589,350
Fair value loss on held-for-trading investments	49,363	11,262
Gain on disposal of held-for-trading investments	(34,125)	(126,312)
Reinstatement cost	312	312
Interest expense	63,606	86,766
Interest income	(120,064)	(8,124)
Gain on disposal of property, plant and equipment	–	(4,779)
Impairment of property, plant and equipment	41,848	–
Impairment loss on goodwill (Note 13)	–	743
Operating cash flows before movements in working capital	(4,328,728)	(1,804,168)
Trade receivables	(132,993)	(44,858)
Other receivables	(8,547,331)	(18,572)
Inventories	81,615	552,869
Trade payables	29,436,862	(96,576)
Other payables	10,709,801	303,354
Acquisition of development property in Vietnam	(53,049,150)	–
Cash used in operations	(25,829,924)	(1,107,951)
Income tax refund	–	7,606
Net cash used in operating activities	(25,829,924)	(1,100,345)
Investing activities		
Acquisition of property, plant and equipment	(59,625)	(45,495)
Interest received	120,064	8,124
Acquisition of subsidiary (Note 31)	–	(510)
Acquisition of transferable option (Note 11)	(424,170)	–
Proceeds from disposal of property, plant and equipment	–	316,714
Acquisition of investments held-for-trading	(3,482,500)	(19,359,372)
Proceeds from disposal of investments held-for-trading	3,516,625	18,240,684
Net cash used in investing activities	(329,606)	(839,855)

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2015

	Group	
	2015	2014
	\$	\$
Financing activities		
Loan from non-controlling shareholder	6,500,000	–
Interest paid	(63,606)	(86,766)
Proceeds on loan from director of subsidiary	230,000	–
Repayment of loan from director of subsidiary	(150,000)	–
Repayment of obligation under finance leases	(124,226)	(510,576)
Issuance of shares	–	19,472,331
Payment for share issuance expenses	–	(273,719)
Repayment from third parties	–	1,128,951
Repayment of bank loan	(65,331)	(62,170)
Proceeds on issuance of shares of subsidiary from non-controlling shareholder	377,220	–
Net cash from financing activities	6,704,057	19,668,051
Net (decrease) increase in cash and cash equivalents	(19,455,473)	17,727,851
Cash and cash equivalents at beginning of year	20,161,808	2,423,165
Cash and cash equivalents classified to assets held for sales	(184,596)	–
Net effect of exchange rate changes on cash and cash equivalents	571,342	10,792
Cash and cash equivalents at end of year	1,093,081	20,161,808

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 GENERAL

The Company (Registration No. 200301072R) is incorporated in the Republic of Singapore with its principal place of business and registered office at 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2015 were authorised for issue by the Board of Directors on April 4, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS - On January 1, 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS issued but only effective in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except as disclosed below:

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial years beginning on or after January 1, 2018. The Group is currently evaluating the impact of the changes in the period of initial adoption.

FRS 109 Financial Instruments

FRS 109 was issued in December 2015 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI).

All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

FRS 109 will take effect from financial years beginning on or after January 1, 2018. The Group is currently evaluating the impact of the changes in the period of initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *FRS 39 Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest rate basis for debt instruments.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Financial assets are classified as at FVTPL where the financial asset is held for trading.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. Fair value is determined in the manner described in Note 4.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its costs is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, if the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policies for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NON-CURRENT ASSETS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

PROPERTY, PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets less residual value over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and building	–	over the lease term of 25 years
Furniture and fittings	–	3 to 10 years
Office equipment	–	3 to 5 years
Renovation	–	3 to 5 years
Motor vehicles	–	3 to 5 years
Plant and machinery	–	5 to 10 years
Tools and equipment	–	10 years

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

PROVISION FOR REINSTATEMENT COSTS - Provision for reinstatement costs represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required to reinstate the building to its original state at the end of the lease.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental income

Rental income is recognised on a straight-line basis over the terms of the relevant lease.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

GOVERNMENT GRANTS - Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised directly outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

DISCONTINUED OPERATIONS - A discontinued operation represents a component of the Company that has either been disposed or classified as held for sale, represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

The results of the discontinued operation are presented separately in the statement of profit or loss and other comprehensive income from other continuing operations.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

STATUTORY RESERVE - In accordance with PRC regulations, the PRC subsidiary within the Group is required to transfer a certain percentage of the profit after tax, if any, to the statutory reserve. However, subject to certain restrictions set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the said subsidiary.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

The following sets out the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

(i) Control over Vinacon Investment and Development Company Limited ("VID") and Riverview Company Limited ("RCL")

Note 11 describes that VID and RCL are subsidiaries of the Group even though the Group has no equity interests in VID. Management has assessed whether or not the Group has control over VID and RCL based on whether the Group has the practical ability to direct the relevant activities of VID and RCL unilaterally and has the power to appoint and remove the majority of the board members of VID and RCL. Based on the assessment as set out in Note 11, management is satisfied that it has control over VID and consequently RCL, being the wholly-owned subsidiary of VID.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

(i) Allowances for trade and other receivables

Trade and other receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the receivable is impaired.

Management considered the procedures that have been in place to monitor this risk as a significant proportion of the Group's working capital is devoted to trade and other receivables. In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the aging status and the likelihood of collection. Specific allowance is only made for trade and other receivables that are unlikely to be collected. In this regard, management is satisfied that adequate allowance for doubtful debts has been made in the financial statements. The carrying amount of trade and other receivables at the end of the reporting period is disclosed in Notes 7 and 8 to the financial statements respectively.

(ii) Allowances for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, management estimated the future selling price in the ordinary course of business, less the estimated costs of selling expenses. The carrying amounts of inventories at the end of the reporting period are disclosed in Note 9 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Useful lives and impairment of property, plant and equipment

As described in Note 2 to the financial statements, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Management determined that the estimated useful lives of property, plant and equipment are appropriate and no material revision is required.

Management has assessed and determined that the recoverable amount of certain plant and machinery through fair value less cost of disposal or value in use is higher than its carrying amount. The fair value less cost to sell is determined using the estimated salvage value of the asset from scrap and cost approach which takes into account the economic useful life, acquisition date and the purpose of the plant and machinery adjusted for estimated removal, restoration and transport costs. The value in use is evaluated based on cash flow forecasts derived from the most recent financial forecasts for the next 4 years, assuming a 2% growth rate and applying a discount rate of 10%. Changes in these estimations may affect the computation of the recoverable amount. The carrying amount of property, plant and equipment are disclosed in Note 14 to the financial statements respectively.

(iv) Impairment of investment in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of those investments. The value in use calculation requires the Company 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. Where such calculation yields negative or insufficient positive cash flows, the Company estimates the recoverable amount of the investments through an estimation of the recoverable amount of the assets through sale and the settlement of all the liabilities in full. Management has evaluated the recoverability of those investments based on such estimates and is confident that the allowance for impairment, where necessary, is adequate. The carrying amounts of investments in subsidiaries are disclosed in Note 12 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance and to ensure that all externally imposed capital requirements are complied with. The Company has complied with all the externally imposed capital requirements for 2015 and 2014. Pursuant to the relevant laws and regulations in the PRC applicable to foreign investment enterprises and the Articles of Association of the PRC subsidiary, the subsidiary is required to maintain a statutory surplus reserve fund. Appropriations to these funds are made out of net profit after taxation as reported in the PRC statutory financial statements of the subsidiary.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising paid up capital, accumulated losses and other reserves.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Management reviews the capital structure on an on-going basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the board of directors will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issuance of new debt.

The Group's overall strategy remains unchanged from prior year.

(b) Categories of financial instruments

The following table sets out the financial instruments at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial assets				
Loans and receivables (including cash and cash equivalents)	10,288,723	20,729,422	18,417,519	20,033,900
Held-for-trading investments	1,184,375	1,233,738	1,184,375	1,233,738
	<u>11,473,098</u>	<u>21,963,160</u>	<u>19,601,894</u>	<u>21,267,638</u>
Financial liabilities				
At amortised cost	9,143,975	2,756,804	497,191	602,199

(c) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(d) Financial risk management policies and objectives

The board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and foreign exchange rates. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(i) Foreign exchange risk management

The Group transacts businesses significantly in Singapore dollar and United States dollar. Transactions in other currencies are limited.

The significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

Group

	Assets		Liabilities		Net asset (liability) exposure	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
United States dollar	177,681	308,327	(160,225)	(200,694)	17,456	107,633
Singapore dollar	-	-	(24,976,951)	(1,043,450)	(24,976,951)	(1,043,450)

Company

	Assets		Liabilities		Net asset exposure	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
United States dollar	49,544	144,513	-	-	49,544	144,513

Foreign currency sensitivity for significant foreign currency balances

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a decrease in loss where functional currency strengthens 10% against the relevant currency. For a 10% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the loss.

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<u>Impact to profit or loss</u>				
United States dollar	(1,746)	(10,763)	(4,954)	(14,451)
Singapore dollar	2,497,695	104,345	-	-

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(ii) Interest rate risk management

The Group company is not exposed to interest rate risk as the Group does not have significant interest bearing financial assets and financial liabilities except for the bank loan which bears average effective interest rate of 5.2% (2014: 4.9%) per annum.

Accordingly, no sensitivity analysis is prepared as management does not expect any material effect on the company's loss before income tax arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the reporting period.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit worthiness of customers is reviewed by management regularly. Appropriate credit checks are performed for new customers, as well as for regular customers on a regular basis. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

The Group has concentration of credit risk with an unrelated party which represents 92% of total receivables as at year end. However, management is of the opinion that this does not expose the Group to further credit risk as the unrelated party is creditworthy.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 8 to the financial statements respectively.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from the financial guarantees (Note 15), represents the Group's maximum exposure to credit risk.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(iv) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group places its cash with reputable financial institutions.

Liquidity and interest risk analyses

Non-derivative financial assets

All non-derivative financial assets of the Group and Company are current and due within one year.

Non-derivative financial liabilities

The following table details the expected maturity for non-derivative liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned on these liabilities except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or less than 1 year	Between 1 to 5 years	After 5 years	Adjustment	Total
	%	\$	\$	\$	\$	\$

Group

2015

Financial liabilities

Non-interest bearing	–	7,825,122	6,409	–	–	7,831,531
Fixed interest rate	5.0	241,500	–	–	(11,500)	230,000
Variable interest rate	5.2	128,592	514,368	910,860	(471,376)	1,082,444
Total		8,195,214	520,777	910,860	(482,876)	9,143,975

2014

Financial liabilities

Non-interest bearing	–	1,328,078	6,097	–	–	1,334,175
Fixed interest rate	4.9 to 5.0	284,722	–	–	(9,868)	274,854
Variable interest rate	4.9	123,840	495,360	990,720	(462,145)	1,147,775
Total		1,742,737	495,360	990,720	(472,013)	2,756,804

The maximum amount the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is \$1,082,444 (2014 : \$1,147,775). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. This estimate is unlikely to change as the loan is fully secured against an underlying property. The earliest period that the guarantee could be called is within 1 year (2014: 1 year) from the end of the reporting period.

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December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, payables and finance leases approximate their respective fair values due to the relatively short-term maturity of these financial instruments with the exception of interest bearing bank loan. Management is of the opinion that the carrying amounts of the bank loan approximate their fair value due to market interest rate charged.

Some of the Group's and Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	2015 Assets	2014 Assets		
Held-for-trading (see note 10)				
Quoted corporate bond	1,184,375	1,233,738	Level 1	Quoted price in an active market

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in the financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following transactions with related parties:

Transactions	Group	
	2015 \$	2014 \$
Rental fee paid to a company in which a director has an interest	–	20,960
Service fee paid to a company in which a director has an interest	–	20,400
Insurance fee paid to a company in which a subsidiary's director has an interest	–	9,485
Interest cost payable by subsidiaries to subsidiaries' directors	2,387	3,991
Consultancy fees paid to a company in which a director has an interest	–	1,320

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

5 RELATED PARTY TRANSACTIONS (cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Group	
	2015	2014
	\$	\$
Short term benefits	1,041,091	1,066,500
Post employment benefits	45,181	43,338
	1,086,272	1,109,838

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash on hand	4,297	4,713	377	1,029
Fixed deposits	–	4,000,921	–	4,000,921
Cash at banks	1,088,784	16,156,174	851,028	15,970,468
	1,093,081	20,161,808	851,405	19,972,418

In 2014, fixed deposits bore average effective interest rate of 0.32% per annum and were for a tenure of approximately 5 days.

7 TRADE RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Outside parties	648,786	532,316	–	–
Less: Allowance for doubtful debts	(20,948)	(41,971)	–	–
	627,838	490,345	–	–
Subsidiary (Note 12)	–	–	495,166	495,166
Less: Allowance for doubtful debts	–	–	(495,166)	(495,166)
	627,838	490,345	–	–

The average credit period on sales of goods is 30 days to 90 days (2014: 30 days to 90 days). No interest is charged on the trade receivables for the outstanding balance.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

7 TRADE RECEIVABLES (cont'd)

Before accepting any new customer, the Group assesses the potential customers' credit quality and defines credit limits by customer. Limits and credit quality attributed to customers are reviewed periodically. The trade receivables that are neither past due nor impaired belong to customers that have been making regular payments and are still considered recoverable.

Included in the Group's trade receivables balance are debtors with a carrying amount of \$198,074 (2014 : \$208,147) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group and Company do not hold any collateral over these balances.

The table below is an analysis of trade receivables that are past due but not impaired as at the end of the reporting period:

	Group	
	2015	2014
	\$	\$
Less than 3 months	184,294	193,985
3 months to 6 months	7,456	6,109
More than 6 months	6,324	8,053
	198,074	208,147

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, management believes that there is no further provision required in excess of the allowance for doubtful debts.

Movements in allowances for doubtful debts

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Balance at beginning of year	41,971	18,798	495,166	495,166
Amount utilised	(16,523)	(226)	-	-
(Credit) Charge to profit or loss	(4,500)	23,399	-	-
Balance at end of year	20,948	41,971	495,166	495,166

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Prepayments	164,004	118,260	12,789	15,141
Amount due from subsidiaries (Note 12)	–	–	19,670,356	1,697,618
Less: Allowance for doubtful debts	–	–	(2,109,362)	(1,642,507)
	–	–	17,560,994	55,111
Deposits	117,615	114,625	46,675	45,204
Less: Allowance for doubtful debts	(41,555)	(38,833)	(41,555)	(38,833)
	76,060	75,792	5,120	6,371
Other receivables	8,533,033	236,316	41,289	234,839
Less: Allowances for doubtful debts	(41,289)	(234,839)	(41,289)	(234,839)
	8,491,744	1,477	–	–
	8,731,808	195,529	17,578,903	76,623

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. Accordingly, management believes that there is no further provision required in excess of the allowance for doubtful debts as the remaining receivables are neither past due nor impaired.

Movements in allowances for doubtful debts

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Balance at beginning of year	273,672	521,374	1,916,179	2,154,665
Amount utilised	(188,063)	(254,220)	(188,063)	(254,220)
(Credit) Charge to profit or loss	(2,765)	6,518	464,090	15,734
Balance at end of year	82,844	273,672	2,192,206	1,916,179

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

9 INVENTORIES

	Group	
	2015	2014
	\$	\$
Raw materials	708,086	781,712
Finished goods	14,108	26,795
	<u>722,194</u>	<u>808,507</u>

The cost of inventories recognised as an expense included \$4,698 (2014: \$113,075) in respect of write-down of inventories to net realisable value.

During the financial year, \$Nil (2014: \$83,781) of previous write-downs have been reversed as a result of inventories that was previously impaired are determined to have re-sale values as sludge.

10 HELD-FOR-TRADING INVESTMENTS

	Group and Company	
	2015	2014
	\$	\$
Quoted bond security, at fair value	<u>1,184,375</u>	<u>1,233,738</u>

The investment in quoted bond security offered the Group the opportunity for returns through interest income and fair value gain. The fair values of this investment were based on quoted closing market prices of the quoted investment on the last market day of the financial year.

In 2015, a fair value loss of \$49,363 (2014: \$11,262) due to decline market prices was recognised in profit or loss.

11 ASSETS CLASSIFIED AS HELD FOR SALE

In 2015, the Group incorporated a new subsidiary - Crimson Star Development Pte Ltd ("CSDPL") in Singapore with a third party for the purpose of managing a property development project in Vietnam.

On May 18, 2015, two Vietnamese, who are unrelated to the Group incorporated Vinacon Investment and Development Company Limited ("VID"). The Group is financing the property development project in Vietnam by way of loan through VID.

On June 12, 2015, VID and Rubber Real Estate Construction Joint Stock Company ("RRE") entered into a contract to establish a company in Vietnam called Riverview Company Limited ("RCL"). RCL has been incorporated to take over the property project currently held by RRE, and to complete the construction of the property. RCL also has the rights to manage the development, market, lease or sale of all the units and facilities of the property, and development of the asset for sale and lease for its own profit. At the onset, VID and RRE owned 49% and 51% equity interest in RCL respectively. Both parties agreed that VID shall acquire all of RRE's shares in RCL over a period of twelve months and this acquisition is expected to be completed in 2016.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

11 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

Whilst the Group does not hold any equity interests in VID and consequently in RCL, management has assessed that VID is an extension of CSDPL and has established control over VID and RCL on the following bases:

- (i) CSDPL entered into a loan agreement with VID and RCL and the following matters must not be carried out or executed by VID or RCL without written consent from CSDPL:
 - entering into any business undertaking or arrangement with any other party;
 - any acquisition or disposal of shares, securities or other interest in VID and RCL;
 - distributions of profit of VID and RCL; and
 - change in the nature of the business of VID and RCL.
- (ii) VID granted an exclusive right and option to CSDPL:
 - to acquire all of VID's rights, interest and title in the Charter Capital of RCL, and ownership rights in RCL; and
 - as a decision maker of RCL by entering into a development agreement and marketing consultancy agreement.
- (iii) Agreement with RRE that majority board members and chairman will be appointed by VID once VID's capital contribution exceeds 50% of the Charter Capital in RCL. VID has an obligation to buy 100% of RCL.

On June 12, 2015, VID further entered into a transferrable option agreement with an unrelated party to acquire all of VID's rights, interest and title in the project. Concurrently, CSDPL and the unrelated party entered into option sale agreement where the party agreed:

- (i) to sell and transfer all right and obligations of the above option to CSDPL; and
- (ii) to provide business services and facilities in Ho Chi Minh City, for a period of ten years from the date of this agreement.

The above transaction has been settled by way of cash consideration of US\$300,000 (equivalents to \$424,170).

As at December 31, 2015, CSDPL had paid to the above unrelated party the following amounts:

- (i) \$424,170 for the acquisition of the transferrable option and \$8,059,230 as fee paid in advance for the business services to the project, both of which have been recorded in other receivables (Note 8). As part of the disposal plan disclosed below, the above amount will be recovered from the unrelated party and management is of the view that this receivable is recoverable;
- (ii) \$1,068,411 for the architectural, mechanical and electrical, civil and structural and interior design cost for the project, which has been recorded as property under development in assets classified as held for sale; and
- (iii) \$2,403,166 paid for the project's consultancy and facilitation fee which has been recorded as administrative expenses of the discontinued operations during the current year.

Prior to the end of the reporting period, the Group has committed to a plan to dispose and discontinue the operations of VID and RCL to a third party. The assets and liabilities attributable to the property development project, which are expected to be sold within twelve months, have been classified as held for sale and are presented separately in the statement of financial position. The operations are included in the Group's property and hospitality segment for reporting purposes (Note 33).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

11 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The proceeds on disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of the property development project as held for sale.

The major class of assets and liabilities classified as held for sale are as follows:

	Group 2015
	\$
Property, plant and equipment	43,110
Property under development	53,049,150
Cash and cash equivalents	184,596
Other receivables and prepayment	437,987
Total assets classified as held for sale	<u>53,714,843</u>
Trade and other payables, and total for liabilities associated with assets classified as held for sale	<u>40,097,491</u>
Net assets of property development project	<u>13,617,352</u>

On March 23, 2016, CSDPL has entered into termination agreement to terminate the option agreement that was previously entered with the above mentioned unrelated party. Termination is subject to the fulfilment or waiver of the following termination conditions:

- (i) The payment of an amount of US\$6 million by the unrelated party to CSDPL being repayment of the cost of the transferrable option and fee paid in advance previously;
- (ii) The payment of a further amount of US\$6 million by the unrelated party to CSDPL being compensation for CSDPL giving up its rights to the property development project;
- (iii) The written confirmation from the unrelated party that the transaction documents have been entered into, in respect of the property development project, by the unrelated party, which will enable:
 1. The availability of funds to make the payments mentioned in (i) and (ii) above to CSDPL; and
 2. The availability of funds to enable VID to make full repayment of loans owing to CSDPL, in respect of the property development project, and all interests, fees and cost payable thereto.

On March 28, 2016, VID and another party (collectively known as the "sellers") entered into a sale and purchase agreement with a third party (the "buyer") where the sellers will dispose RCL to the buyer. Management is of the opinion that the proceeds from the disposal will enable VID to make full repayment of loans owing to CSDPL.

12 SUBSIDIARIES

	Company	
	2015	2014
	\$	\$
Unquoted equity shares, at cost	5,986,097	5,985,447
Less: Impairment losses	(4,864,356)	(4,864,356)
	<u>1,121,741</u>	<u>1,121,091</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12 SUBSIDIARIES (cont'd)

Movements in impairment losses for subsidiaries

	Company	
	2015	2014
	\$	\$
Balance at beginning and end of year	4,864,356	4,864,356

Management has evaluated the recoverability of the investment cost based on their judgement. The recoverable amount which is based on the value in use for the investment in subsidiaries is estimated based on present value of future cash flows to be derived. Management is of the opinion that no further impairment is required.

Details of the Company's significant subsidiaries are as follows:

Name of subsidiary	Place of business and incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2015	2014
			%	%
<u>Held by the Company</u>				
Apphia Advanced Materials Pte. Ltd. ⁽¹⁾	Singapore	Manufacturing of sputtering targets and provision of services for thin film solutions	100	100
Crimson Star Development Pte. Ltd. ^{(1) (2)}	Singapore	Investment holding and property development	65	–
<u>Held by subsidiaries</u>				
Micro Screen Production Pte Ltd ⁽¹⁾	Singapore	Trading in printing machines, lithographic supplies and services for silkscreen printing	100	100
Vinacon Investment and Development Company Limited ^{(2) (3)}	Vietnam	Property development	–	–
Riverview Company Limited ^{(2) (3) (4)}	Vietnam	Property development	–	–

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore.

⁽²⁾ Newly incorporated in current year.

⁽³⁾ The Group does not own equity interest in the subsidiary but management has assessed that it has control over these subsidiaries (See details in Note 11). As at end of the reporting period, these subsidiaries have been classified as assets held for sale.

⁽⁴⁾ Audited by Deloitte Vietnam.

The balances with subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12 SUBSIDIARIES (cont'd)

Details of non-wholly owned subsidiary that has material non-controlling interests to the Group is disclosed below.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015	2014	2015	2014
				\$	\$	\$	\$
Crimson Star Development Pte. Ltd.	Singapore	35%	–	(415,570)	–	(439,966)	–
				<u>(415,570)</u>	<u>–</u>	<u>(439,966)</u>	<u>–</u>

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Crimson Star Development Pte. Ltd.	
	2015	2014
	\$	\$
Current assets	22,735,052	–
Current liabilities	(23,992,097)	–
Equity attributable to owners of the Company	(817,079)	–
Non-controlling interests	(439,966)	–
Revenue	–	–
Expenses	(1,187,342)	–
Loss for the year	<u>(1,187,342)</u>	<u>–</u>
Loss for the year attributable to owners of the Company	(771,772)	–
Loss for the year attributable to the non-controlling interests	(415,570)	–
Loss for the year	<u>(1,187,342)</u>	<u>–</u>
Other comprehensive loss attributable to owners of the Company	(45,957)	–
Other comprehensive loss attributable to the non-controlling interests	(24,746)	–
Other comprehensive loss for the year	<u>(70,703)</u>	<u>–</u>
Total comprehensive loss attributable to owners of the Company	(817,729)	–
Total comprehensive loss attributable to the non-controlling interests	(440,316)	–
Total comprehensive loss for the year	<u>(1,258,045)</u>	<u>–</u>
Net cash outflow from operating activities	(9,998,265)	–
Net cash outflow from investing activities	(13,928,510)	–
Net cash inflow from financing activities	23,981,712	–

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

13 GOODWILL

	<u>Group</u>
	<u>\$</u>
Cost:	
At January 1, 2014	1,524,841
Arising from acquisition of subsidiary	743
At December 31, 2014 and December 31, 2015	<u>1,525,584</u>
Impairment:	
At January 1, 2014	(1,524,841)
Arising from acquisition of subsidiary	(743)
At December 31, 2014 and December 31, 2015	<u>(1,525,584)</u>
Carrying amount:	
At December 31, 2014 and December 31, 2015	<u>—</u>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	<u>Group</u>
	<u>\$</u>
Advanced materials and solutions segment:	
Apphia Advanced Materials Pte. Ltd. ("Apphia")	1,524,841
Green Electric Energy Pte. Ltd. ("Green")	743
	<u>1,525,584</u>

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations were those regarding the discount rates, growth rates and expected changes to selling price and direct costs during the period. Management estimated discount rates using pre-tax rates that reflected current market assessments of the time value of money and the risks specific to the CGU. The growth rate did not exceed industry growth forecasts.

In 2012, due to the loss of a major customer subsequent to the acquisition of Apphia, the Group assessed and recognised an impairment loss of \$1,524,841.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

14 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Plant and machinery	Tools and equipment	Total
Cost								
At January 1, 2014	3,424,650	63,058	171,487	317,471	26,547	3,245,863	119,072	7,368,148
Additions	-	7,200	15,285	23,010	-	-	-	45,495
Disposals	-	-	-	-	-	(1,195,150)	-	(1,195,150)
Written off	-	(480)	(6,015)	-	-	-	-	(6,495)
Exchange differences	-	(98)	(202)	(1,436)	(339)	(3,486)	-	(5,561)
At December 31, 2014	3,424,650	69,680	180,555	339,045	26,208	2,047,227	119,072	6,206,437
Additions	2,804	5,240	1,781	6,690	-	-	-	16,515
Written off	-	-	(38,621)	-	-	-	-	(38,621)
At December 31, 2015	3,427,454	74,920	143,715	345,735	26,208	2,047,227	119,072	6,184,331
Accumulated depreciation								
At January 1, 2014	272,599	50,104	154,179	298,620	12,239	1,475,267	106,299	2,369,307
Depreciation	132,742	4,728	10,416	13,911	6,019	419,081	2,453	589,350
Disposals	-	-	-	-	-	(668,387)	-	(668,387)
Written off	-	(480)	(6,015)	-	-	-	-	(6,495)
Exchange differences	-	(96)	(196)	(1,440)	(339)	(2,645)	-	(4,716)
At December 31, 2014	405,341	54,256	158,384	311,091	17,919	1,223,316	108,752	2,279,059
Depreciation	132,944	5,616	10,440	17,427	5,235	216,294	2,037	389,993
Written off	-	-	(38,621)	-	-	-	-	(38,621)
At December 31, 2015	538,285	59,872	130,203	328,518	23,154	1,439,610	110,789	2,630,431

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Leasehold land and building \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Motor vehicles \$	Plant and machinery \$	Tools and equipment \$	Total \$
Impairment loss								
At January 1, 2014	-	269	3,635	689	-	588,444	-	593,037
Disposals	-	-	-	-	-	(214,828)	-	(214,828)
At December 31, 2014	-	269	3,635	689	-	373,616	-	378,209
Charge to profit or loss	-	-	-	-	-	41,848	-	41,848
At December 31, 2015	-	269	3,635	689	-	415,464	-	420,057
Carrying amount								
At December 31, 2015	2,889,169	14,779	9,877	16,528	3,054	192,153	8,283	3,133,843
At December 31, 2014	3,019,309	15,155	18,536	27,265	8,289	450,295	10,320	3,549,169

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December 31, 2015

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The carrying amount of the Group's plant and equipment includes an amount of \$3,054 (2014: \$136,786) secured in respect of assets held under finance leases (Note 16).

As a result of low utilisation of certain plant and equipment, the Group carried out a review of the recoverable amount of those plant and equipment. The review led to the recognition of total impairment loss of \$41,848 (2014: \$Nil). The recoverable amount of the relevant assets have been determined on the basis of their fair value less cost of disposal or value in use.

The leasehold land and building are pledged as security for the interest-bearing loan in Note 15.

	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<u>Company</u>				
Cost				
At January 1, 2014	1,968	46,877	–	48,845
Addition	–	7,499	18,680	26,179
Written off	(480)	(2,742)	–	(3,222)
At December 31, 2014	1,488	51,634	18,680	71,802
Written off	–	(38,621)	–	(38,621)
At December 31, 2015	1,488	13,013	18,680	33,181
Accumulated depreciation				
At January 1, 2014	1,968	46,877	–	48,845
Depreciation	–	1,250	5,448	6,698
Written off	(480)	(2,742)	–	(3,222)
At December 31, 2014	1,488	45,385	5,448	52,321
Depreciation	–	1,500	9,340	10,840
Written off	–	(38,621)	–	(38,621)
At December 31, 2015	1,488	8,264	14,788	24,540
Carrying amount				
At December 31, 2015	–	4,749	3,892	8,641
At December 31, 2014	–	6,249	13,232	19,481

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

15 INTEREST-BEARING LOAN

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
<u>Current</u>				
Bank loan (Secured)	68,655	65,514	–	–
<u>Non-current</u>				
Bank loan (Secured)	1,013,789	1,082,261	–	–

The loan is repayable over 216 monthly instalments from February 2010 until January 2028. The loan is secured by first legal mortgage over the leasehold property and a corporate guarantee from the Company.

For the year ended December 31, 2015, the average effective borrowing rate was 5.2% (2014: 4.9%) per annum.

The interest rate arrangement on the bank loan is as follows:

- First 24 monthly instalments at 2.88% (2.12% below the bank's Enterprise Financing Rate) from February 2010 to January 2012.
- Subsequent 40 instalments at 0.25% above from the bank's Enterprise Financing Rate from February 2012 to May 2015.
- Subsequent 152 instalments at 0.75% above from the bank's Enterprise Financing Rate from June 2015 to January 2028.

16 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	2015	2014
	\$	\$	\$	\$
Amounts payable under finance leases:				
Within one year	630	127,222	628	124,854
In the second to fifth years inclusive	–	–	–	–
	630	127,222	628	124,854
Less: Future finance charges	(2)	(2,368)	N.A	N.A
Present value of lease obligations	628	124,854	628	124,854
Less: Amount due for settlement within 12 months (shown under current liabilities)			(628)	(124,854)
Amount due for settlement after 12 months			–	–

It is the Group's policy to lease certain of its plant and equipment under finance leases (Note 14). The average lease term is 5 years (2014: 5 years). The average effective borrowing rate is 5.6% (2014: 4.9%) per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into contingent rental payments.

The Group's obligations under finance lease are secured by the lessor's title to the lease assets (Note 14).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

17 TRADE PAYABLES

	Group	
	2015	2014
	\$	\$
Outside parties	318,209	415,853

The average credit period on purchases of goods and services is 30 days to 60 days (2014: 30 days to 60 days). No interest is charged on overdue trade payables.

18 OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Current:				
Accruals	641,396	684,900	314,768	394,660
Loan from a subsidiary's director	230,000	150,000	–	–
Loan from non-controlling shareholder	6,500,000	–	–	–
Subsidiary (Note 12)	–	–	120,678	120,028
Advance receipts	61,230	8,824	–	–
Related party (Note 5)	42,000	42,000	–	–
Others	322,889	185,325	61,745	87,511
	<u>7,797,515</u>	<u>1,071,049</u>	<u>497,191</u>	<u>602,199</u>
Non-current:				
Provision for reinstatement costs	6,409	6,097	–	–
Movement in provision for reinstatement costs:				
Balance at beginning of the year	6,097	5,785	–	–
Charge to profit or loss	312	312	–	–
Balance at end of the year	<u>6,409</u>	<u>6,097</u>	<u>–</u>	<u>–</u>

Loan from a subsidiary's director bears interest at average rate of 5% (2014: 5%) per annum, is unsecured and repayable within 3 months from the date of disbursement of the loan (2014: repayable on demand).

Loan from non-controlling shareholder is interest free, unsecured and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

19 DEFERRED TAX LIABILITIES

	Fair value adjustment on leasehold land building on business combination
	\$
<u>Group</u>	
At January 1, 2014	240,605
Credit to profit or loss (Note 25)	(10,025)
At December 31, 2014	230,580
Credit to profit or loss (Note 25)	(10,025)
At December 31, 2015	<u>220,555</u>

20 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		\$	\$
Issued and paid-up:				
At beginning of the year	1,950,619,331	825,054,385	52,411,370	31,750,964
Issuance of shares on share placement exercise ⁽¹⁾	–	875,000,000	–	14,437,500
Share issuance costs			–	(273,719)
Exercise of employee share options ⁽²⁾	–	6,110,000	–	224,880
Exercise of warrants ⁽³⁾	–	244,454,946	–	6,271,745
At end of the year	<u>1,950,619,331</u>	<u>1,950,619,331</u>	<u>52,411,370</u>	<u>52,411,370</u>

⁽¹⁾ In 2014, the total proceeds from the issuance of shares from share placement exercise amounted to \$14,437,500.

⁽²⁾ In 2014, the total proceeds from the issuance of shares from exercise of share options amounted to \$145,732.

⁽³⁾ In 2014, the total proceeds from the issuance of shares from exercise of warrants amounted to \$4,889,099.

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

21 REVENUE

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Sales of goods	<u>4,283,669</u>	<u>4,652,030</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

22 OTHER OPERATING INCOME

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Interest income	120,064	8,124
Government grant	39,598	98,872
Foreign exchange gain, net	909,251	–
Rental income	–	2,853
Reversal of allowance for doubtful receivables	7,265	6,131
Gain on disposal of plant and equipment	–	4,779
Gain on disposal of held-for-trading investments	34,125	126,312
Others	2,338	19,123
	<u>1,112,641</u>	<u>266,194</u>

23 OTHER EXPENSES

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Fair value loss of held-for-trading investments	49,363	11,262
Discontinued operations:		
Foreign exchange loss, net (Note 27)	345,101	–
	<u>394,464</u>	<u>11,262</u>

24 FINANCE COSTS

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Interest expense on finance leases	3,119	21,106
Interest expense on loans	60,487	65,660
	<u>63,606</u>	<u>86,766</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

25 INCOME TAX CREDIT

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Tax credit comprises:		
Overprovision of current tax in prior years	–	(7,606)
Deferred tax (Note 19)	(10,025)	(10,025)
Income tax credit	<u>(10,025)</u>	<u>(17,631)</u>

Domestic income tax is calculated at 17% (2014: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total benefit for the year can be reconciled to the accounting loss as follows:

	Group	
	2015	2014
	\$	\$
Loss before income tax:		
Continued operation:	(1,242,683)	(2,412,597)
Discontinued operation:	(2,933,763)	–
Total	<u>(4,176,446)</u>	<u>(2,412,597)</u>
Tax benefit at statutory tax rate of 17% (2014: 17%)	(963,376)	(410,141)
Effect of expenses that are not deductible	847,683	201,891
Deferred tax asset not recognised	152,425	209,628
Overprovision of current tax in prior years	–	(7,606)
Differences in foreign tax rate	(46,757)	(11,403)
	<u>(10,025)</u>	<u>(17,631)</u>

The Group has tax loss carry forward and unutilised capital allowances available for offsetting against future taxable income as follows:

	Tax losses		Unutilised capital allowances		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
At beginning of year	5,036,800	4,599,590	2,527,761	3,720,407	7,564,561	8,319,997
Adjustments	(62,526)	(450,841)	642,171	(1,541,226)	579,645	(1,992,067)
Arising during the year	122,244	888,051	739,554	348,580	861,798	1,236,631
At end of year	<u>5,096,518</u>	<u>5,036,800</u>	<u>3,909,486</u>	<u>2,527,761</u>	<u>9,006,004</u>	<u>7,564,561</u>
Deferred tax benefits on above not recorded					<u>1,612,669</u>	<u>1,516,440</u>

The realisation of the future income tax benefits from tax loss carryforward and unutilised capital allowances that are available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Deferred tax assets have not been recognised due to the unpredictability of future taxable profits.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

26 LOSS FOR THE YEAR

This is determined after charging (crediting) the following:

	Group	
	2015	2014
	\$	\$
Continuing operations:		
Directors' fees of the Company	210,000	210,000
Fair value loss on held-for-trading investments	49,363	11,262
Allowance for doubtful receivables	–	36,048
Reversal of allowance for doubtful receivables	(7,265)	(6,131)
Allowance for inventories, net	4,698	29,294
Cost of inventories recognised in cost of sales	2,255,394	2,687,607
Impairment loss on property, plant and equipment	41,848	–
Gain on disposal of property, plant and equipment	–	(4,779)
Employee benefits expense (including directors' remuneration)	2,056,060	2,238,303
Directors' remuneration of the Company	379,400	435,609
Impairment loss on goodwill	–	743
Defined contribution plans	220,093	206,510
Foreign exchange gain, net	(909,251)	–
Audit fees:		
- paid to auditors of the Company	123,500	110,500
- paid to other auditors	8,711	3,368
Total audit fees	<u>132,211</u>	<u>113,868</u>
Discontinued operations:		
Foreign exchange loss, net	345,101	–
Employee benefits expense (including directors' remuneration)	<u>116,515</u>	<u>–</u>

There are no fees paid by the Group to the external auditors for non-audit services for 2015 and 2014.

27 DISCONTINUED OPERATIONS

As referred to in Note 11 to the financial statements. The loss for the year from discontinued operations are analysed as follows:

	Group
	2015
	\$
Loss on property development project for the year	<u>(2,933,763)</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

27 DISCONTINUED OPERATIONS (cont'd)

The results of the property development project for the period from June 12, 2015 to December 31, 2015 are as follows:

	Group 2015
	\$
Revenue	–
Other expenses	(345,101)
Administrative expenses	(2,588,662)
Loss on property development project for the year	<u>(2,933,763)</u>

Net cash from (used in) discontinued operations are as follows:

Operating activities	(3,621,091)
Investing activity	(43,110)
Financing activities	377,220
Net cash flow attributable to discontinued operations	<u>(3,286,981)</u>

28 LOSS PER SHARE

As at December 31, 2015, the Company has 2,180,000 (2014: 2,180,000) outstanding share options issued to a director of subsidiary and certain employees. The outstanding share options are anti-dilutive and therefore excluded from the computation below.

The calculations of loss per share are based on the loss for the year attributable to owners of the Company and weighted average number of shares shown below.

	Group	
	2015	2014
	\$	\$
Loss attributable to equity holders of the Company	(2,796,504)	(2,392,610)
Weighted average number of shares ('000)	1,950,619	1,533,681
Loss per share - Basic (cents)	<u>(0.14)</u>	<u>(0.16)</u>

In the current financial year, as there are no dilutive potential ordinary shares issued and/or granted, the fully diluted loss per share is the same as the basic loss per share

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

29 SHARE-BASED PAYMENTS

Equity-settled share option scheme

At an Extraordinary General Meeting of the Company held on December 29, 2008, the shareholders approved the amendments to the SNF 2004 Share Option Scheme ("the Scheme"). Under the amended Scheme, the Company may grant options to executive directors and employees of the Group who have contributed to the success and development of the Group to subscribe for ordinary shares in the Company provided that the aggregate number of shares over which the Company may grant on any date, when added to the number of shares issued or issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company on the date preceding the grant of the options. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% of the Market Price which is defined as the average of last dealt price for the shares by reference to the official list published by the SGX-ST for the 5 consecutive days immediately preceding the offer date of such options. In the event that the options are given a discount, then the vesting period shall be two years from date of grant. If no discount is given, the vesting periods shall be one year from the date of grant.

The Scheme was administered by the Remuneration Committee.

The Scheme expired on February 16, 2014. The Company held an Extraordinary General Meeting on April 30, 2015 where the shareholders approved a new employee share option scheme, called the Adventus Employee Share Option Scheme ("the New Scheme"). As at December 31, 2015, no options have been granted under the New Scheme.

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2015	Weighted average exercise price	2014	Weighted average exercise price
	Number of share options	\$	Number of share options	\$
Outstanding at the beginning of the year	2,180,000	0.041	8,305,000	0.029
Exercised during the year	–	–	(6,110,000)	0.035
Expired during the year	–	–	(15,000)	0.024
Outstanding at the end of the year	<u>2,180,000</u>	0.041	<u>2,180,000</u>	0.041
Exercisable at the end of the year	<u>2,180,000</u>	0.041	<u>2,180,000</u>	0.041

In 2014, the weighted average share price at the date of share options exercised was \$0.0448.

The options outstanding at the end of the year have a weighted average remaining contractual life of 6.3 years (2014: 7.3 years).

The fair value of share options as at the date of grant was estimated by management using the Black Scholes model, taking into account the terms and conditions upon which the options were granted.

There is no new option granted to directors and employees in 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

30 WARRANT RESERVE

Warrant reserve represents the fair value of the warrants issued by the Company. The reserve will be transferred to share capital upon the exercise of the warrants.

On January 6, 2012, the Group issued 254,454,946 free detachable warrants to the seller, Mr Lim Keng Hock Jonathan, who is the Director of the subsidiary – Apphia Advanced Materials Pte. Ltd. (“Apphia”), as part of the consideration for the acquisition of Apphia.

Each warrant entitled the holder to subscribe for one ordinary share each at the exercise price of \$0.02 at any time from the date of issue. The warrants were not listed or traded on the Catalist Board of the SGX.

All warrants have been exercised as at December 31, 2014.

31 ACQUISITION OF SUBSIDIARY

On August 27, 2014, the Group acquired 51% of the issued share capital of Green Electric Energy Pte. Ltd. (“GEEPL”) for total consideration of \$510. The consideration was satisfied by cash.

The registered activities of GEEPL are the provision of engineering services in clean energy systems and the provision of environmental engineering services. It has been classified within the Group’s existing Advanced Materials & Solutions segment.

Assets acquired and liabilities assumed at the date of acquisition

	August 27, 2014
	\$
<u>Current assets</u>	
Other receivables and prepayments	1,000
<u>Current liabilities</u>	
Other payables and accruals	(1,457)
Net assets acquired and liabilities assumed	(457)
Non-controlling interest	224
Less: Consideration transferred	(510)
Goodwill on acquisition	(743)
Net cash inflow on acquisition of subsidiary	
Cash and cash equivalents acquired	(510)

Impact of acquisition on the results of the Group

Included in the loss attributable to owners of the Company for 2014 was \$2,452 attributable to the GEEPL. No revenue was generated from GEEPL.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

32 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2015	2014
	\$	\$
Minimum lease payments under operating leases recognised as an expense in the year	264,105	274,738

At the end of the reporting period, the Group and Company have outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2015	2014	2015	2014
	\$	\$	\$	\$
Within one year	238,226	247,659	27,600	27,600
In the second to fifth year inclusive	169,952	340,986	11,500	11,500
More than five years	533,456	544,700	–	–
Total	941,634	1,133,345	39,100	39,100

Operating lease payments represent rentals payable by the Group and Company for its certain equipment, office, workshop premises and land. Leases are negotiated and rentals are fixed for an average of 1 to 2 years. (2014: 1 to 2 years).

33 SEGMENT INFORMATION

The Group determines its reportable segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products and services, based on which information is prepared and reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance.

For management purposes, the Group is organised into the following reportable operating segments as follows:

- (1) Advanced Materials & Solutions segment mainly relates to (i) the distribution and provision of printing equipment and printing solutions; (ii) the distribution and manufacturing of sputtering targets; and (iii) the manufacturing and trading of energy-efficient equipment and apparatus as well as the provision of related services.
- (2) Commodities and Mineral Resources segment mainly relates to the trading in commodities and mineral resources.
- (3) Property and Hospitality segment mainly relates to (i) property ownership, development, management and investment; and (ii) hospitality services.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2 to the financial statements. Segment results represent the profits earned by each segment without allocation of corporate income, costs and taxation.

Inter-segment transfers are eliminated on consolidation.

All assets and liabilities are allocated to reportable segments other than corporate assets and liabilities which cannot be attributed to any one operating segment.

Segment information about the Group's reportable segment is presented below:

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

33 SEGMENT INFORMATION (cont'd)

(a) Segment revenues and result

	Advanced materials & solutions		Commodities and mineral resources		Property and hospitality		Corporate		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>Continuing operations:</u>										
Total revenue	4,283,669	4,652,030	-	-	-	-	-	-	4,283,669	4,652,030
Segment results	(898,135)	(1,293,155)	(3,352)	(6,080)	(122,820)	(2,604)	(1,218,048)	(1,278,181)	(2,242,355)	(2,580,020)
Other operating income	39,441	125,628	-	-	922,135	-	31,001	132,442	992,577	258,070
Other operating expenses	-	-	-	-	-	-	(49,363)	(11,262)	(49,363)	(11,262)
Interest income	-	10	-	-	-	-	120,064	8,114	120,064	8,124
Finance costs	(63,606)	(86,766)	-	-	-	-	-	-	(63,606)	(86,766)
Impairment of goodwill	-	(743)	-	-	-	-	-	-	-	(743)
Income tax	10,025	17,631	-	-	-	-	-	-	10,025	17,631
Profit (Loss) for the year	(912,275)	(1,237,395)	(3,352)	(6,080)	799,315	(2,604)	(1,116,346)	(1,148,887)	(1,232,658)	(2,394,966)
<u>Discontinued operations:</u>										
Segment results	-	-	-	-	(2,588,662)	-	-	-	(2,588,662)	-
Other operating expenses	-	-	-	-	(345,101)	-	-	-	(345,101)	-
Loss for the year	-	-	-	-	(2,933,763)	-	-	-	(2,933,763)	-

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

33 SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Advanced materials & solutions		Commodities and mineral resources		Property and hospitality		Corporate		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Segment assets	4,891,522	5,191,500	-	-	62,254,131	450	2,062,329	21,247,146	69,207,982	26,439,096
Segment liabilities	2,532,262	2,508,937	2,500	4,300	46,611,975	800	376,514	482,171	49,523,251	2,996,208
Capital expenditure	16,515	19,316	-	-	53,092,260	-	-	26,179	53,108,775	45,495
Depreciation of property, plant and equipment	379,153	582,652	-	-	-	-	10,840	6,698	389,993	589,350
Gain on disposal of property, plant and equipment	-	(4,779)	-	-	-	-	-	-	-	(4,779)
Gain on disposal of investments held-for-trading	-	-	-	-	-	-	(34,125)	(126,312)	(34,125)	(126,312)
Impairment of goodwill	-	743	-	-	-	-	-	-	-	743
Fair value loss on held-for-trading investments	-	-	-	-	-	-	49,363	11,262	49,363	11,262
Impairment on property, plant and equipment	41,848	-	-	-	-	-	-	-	41,848	-

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

33 SEGMENT INFORMATION (cont'd)

	Group	
	2015	2014
	\$	\$
<u>Sales revenue based on location of customer</u>		
South Korea	260,365	639,373
Republic of China	541	210,792
Pakistan	–	66,156
Malaysia	578,748	686,586
Indonesia	598,415	698,831
Thailand	43,895	51,490
Singapore	2,148,452	1,981,614
Germany	228,469	140,938
Liechtenstein	4,698	76,039
United States of America	62,709	49,293
Others	357,377	50,918
	<u>4,283,669</u>	<u>4,652,030</u>
<u>Non-current assets based on location</u>		
Malaysia	–	1,223
Singapore	3,133,843	3,547,946
	<u>3,133,843</u>	<u>3,549,169</u>

Information about major customers

In 2015, \$867,014 (2014: \$1,074,978) of revenue is generated from three customers (2014: two customers) from the Advanced materials and solutions segment, which accounts for 20.2% (2014: 23.1%) of total Group's revenue.

SHAREHOLDING STATISTICS

As at 10 March 2016

Class of Shares	No. of Shares	%
Ordinary	1,950,619,331	100.0
Treasury	Nil	0.0
Total Issued Shares	1,950,619,331	100.0

Voting Rights	On show of hands : One vote for each member On a poll : One vote for each ordinary share
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Shareholding Held in Hands of Public

Based on information available to the Company as at 10 March 2016, 34.63% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 10 MARCH 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	3	0.23	71	0.00
100 - 1,000	57	4.39	34,587	0.00
1,001 - 10,000	160	12.34	967,600	0.05
10,001 - 1,000,000	990	76.33	181,938,135	9.33
1,000,001 AND ABOVE	87	6.71	1,767,678,938	90.62
TOTAL	1,297	100.00	1,950,619,331	100.00

SHAREHOLDING STATISTICS

As at 10 March 2016

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	UNITED OVERSEAS BANK NOMINEES PTE LTD	991,962,603	50.85
2	DB NOMINEES (SINGAPORE) PTE LTD	249,865,772	12.81
3	RAFFLES NOMINEES (PTE) LTD	97,090,767	4.98
4	CHIN BAY CHING	82,942,256	4.25
5	OCBC SECURITIES PRIVATE LTD	38,053,500	1.95
6	LIM KENG HOCK JONATHAN	27,930,400	1.43
7	KWA KAY HOW	23,388,600	1.20
8	KOH KAH BENG (XU JIAMING)	20,429,300	1.05
9	DBS NOMINEES PTE LTD	17,243,000	0.88
10	ONG YUEH NGOH (HUANG YUE'E)	9,315,900	0.48
11	PHILLIP SECURITIES PTE LTD	7,390,000	0.38
12	SHEN CHEE TONG STEVEN	7,300,000	0.37
13	MAYBANK KIM ENG SECURITIES PTE LTD	7,100,000	0.36
14	CHOI BOON WAI	7,084,000	0.36
15	CHUA KOON BENG	7,000,000	0.36
16	CHER AH KOW	5,940,000	0.30
17	WONG POH HWA @ KWAI SENG	5,900,000	0.30
18	OCBC NOMINEES SINGAPORE PTE LTD	5,829,000	0.30
19	ANG BAN LIONG	5,500,000	0.28
20	WONG FONG HONG VINCENT	5,295,000	0.27
	TOTAL	1,622,560,098	83.16

Substantial Shareholders

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chin Bay Ching	82,942,256	4.25	911,797,103 ⁽¹⁾	46.74
Kum Ping Wei	–	–	249,865,772 ⁽²⁾	12.12

Notes:

⁽¹⁾ Mr Chin Bay Ching's deemed interest of 911,797,103 shares is held in the name of United Overseas Bank Nominees Pte. Ltd.

⁽²⁾ Ms Kum Ping Wei's deemed interest of 249,865,772 shares is held in the name of DB Nominees (Singapore) Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Jurong Country Club at 9 Science Centre Road Singapore 609078 on Friday, 29 April 2016 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2015 and the Directors' Statement and Independent Auditor's Report thereon. **[Resolution 1]**

2. To re-elect Mr Chin Bay Ching, who is retiring pursuant to Article 95 of the Articles of Association of the Company. **[Resolution 2]**

Mr Chin Bay Ching, upon re-election as Director of the Company, shall remain as the Chairman of the Board of Director and the member of the Nominating Committee of the Company.
(See Explanatory Note 1)

3. To appoint Mr Gersom G Vetuz who will retire pursuant to Section 153(6) of the Companies Act, Cap. 50, which was in force immediately before 3 January 2016, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **[Resolution 3]**

Mr Gersom G Vetuz, upon re-appointment as Director of the Company, shall remain as the Chairman of the Audit Committee and the member of the Remuneration Committee and shall be considered independent for the purpose of Rule 704(7) of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules").
(See Explanatory Note 1)

4. To approve Directors' fees of S\$210,000 for the financial year ended 31 December 2015 (S\$210,000 for the financial year ended 31 December 2014). **[Resolution 4]**
5. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications;

7. Authority to allot and issue shares up to 100 per cent (100%) of issued shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to issue and allot new shares in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, PROVIDED ALWAYS that

- (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 100% of the issued shares of the Company (as calculated in accordance with sub-paragraph (ii) below), of which aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the issued shares of the Company (as calculated in accordance with sub-paragraph (ii) below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the Rules of Catalyst), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued shares of the Company at the time this Resolution is passed, after adjusting for:-
- (a) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and
- (b) any subsequent consolidation or subdivision of shares; and
- (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note 2) **[Resolution 6]**

8. Authority to grant options and to issue shares under the Adventus Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act, Cap.50, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the Adventus Employee Share Option Scheme (the "**Scheme**") and to issue such shares as may be required to be issued pursuant to the exercise of the options granted or to be granted under the Scheme provided always that the aggregate number of shares issued and issuable in respect of all options granted or to be granted under the Scheme, shall not exceed 15% of the total number of issued shares excluding treasury shares of the Company from time to time.
(See Explanatory Note 3) **[Resolution 7]**

By Order of the Board

Lee Bee Fong
Company Secretary
14 April 2016
Singapore

EXPLANATORY NOTES:

1. In relation to **Resolutions 2 to 3** proposed in items 2 to 3 above, there are no relationships (including immediate family relationships) between Mr Chin Bay Ching and Mr Gersom G Vetuz (collectively, the "Directors") and with the others Directors, the Company or its 10% shareholders respectively and the detailed information on the Directors are set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2015.
2. **Resolution 6**, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to grant options and to issue shares in the Company. The number of shares which the Directors may issue under this Resolution would not exceed 100% of the issued share capital of the Company at the time of passing this Resolution. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 50% of the issued share capital of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
3. **Resolution 7**, if passed, will empower the Directors from the date of the resolution is passed or to be granted until the next Annual General Meeting, to issue shares pursuant to the exercise of options granted under the Scheme. The maximum number of new shares to be issued under the Scheme shall not exceed 15% of the total number of issued shares excluding treasury shares of the Company from time to time. Any shares issued pursuant to this authority will not form part of the mandate sought under **Resolution 6**.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ADVENTUS HOLDINGS LIMITED

Company Registration No. 200301072R
(Incorporated in the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We _____ NRIC/Passport No. _____

of _____ (Address)

being *a member/members of ADVENTUS HOLDINGS LIMITED (the "**Company**"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy (%)

or failing *him/her/them, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Jurong Country Club at 9 Science Centre Road Singapore 609078 on Friday, 29 April 2016 at 10.00 a.m., and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as he/she/they will on any other matter arising at the Annual General Meeting.

NOTE: The Chairman of the Annual General Meeting will be exercising his right under Article 64 of the Articles of Association of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members of the Company at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of a poll.

Please tick here if more than two (2) proxies will be appointed (Please refer to note 2). This is only applicable for intermediaries such as banks and capital markets service license holders which provide custodial services.

No.	Resolutions Relating To:	For	Against
	ORDINARY BUSINESS		
1	Adoption of Directors' Statement and Financial Statements		
2	Re-election of Mr Chin Bay Ching		
3	Re-Appointment of Mr Gersom G Vetuz		
4	Approval of Directors' Fees		
5	Re-appointment of Auditors		
	SPECIAL BUSINESS		
6	Authority to Directors to allot and issue new shares		
7	Authority to Directors to grant options and to issue shares under the Adventus Employee Share Option Scheme		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of Annual General Meeting** for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2016

Register	Number of Shares Held
CDP Register	
Register of Members	

Signature(s) of Member(s)/

Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF



IMPORTANT NOTES TO PROXY FORM :

Notes:

1. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for holding the meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2016.

Affix
postage
stamp here

ADVENTUS HOLDINGS LIMITED
52 Telok Blangah Road
#04-01 Telok Blangah House
Singapore 098829



Adventus Holdings Limited

Co.Reg.No. 200301072R

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#04-01 Telok Blangah House

Singapore 098829

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