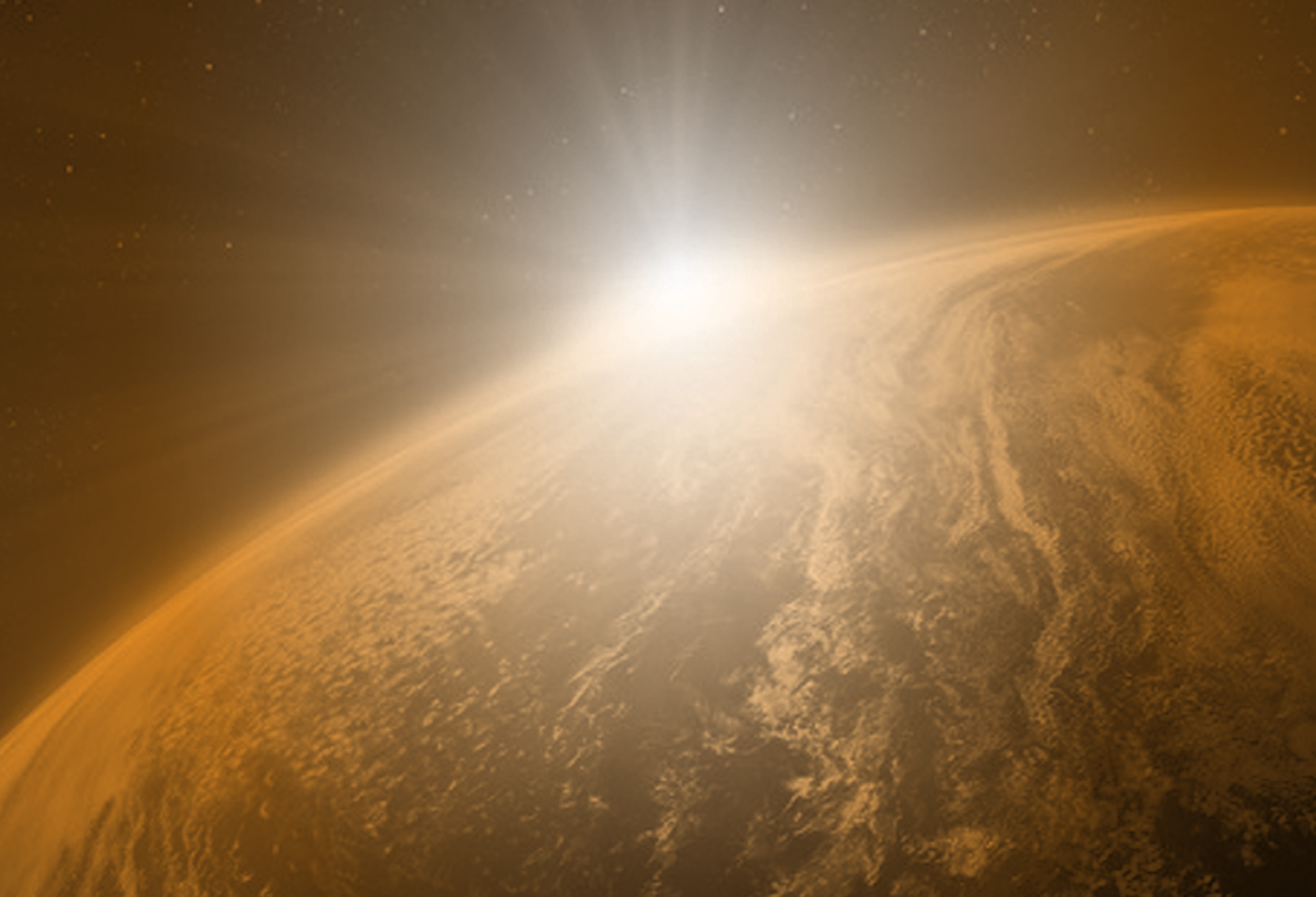
Adventus Holdings Limited

Annual Report 2014

Adventus



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Corporate Information

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Singapore 098829
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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
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DBS Bank Ltd
United Overseas Bank Limited

Independent Auditor
Deloitte & Touche LLP
Chartered Accountants
6 Shenton Way
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#33-00
Singapore 068809
Partner-in-charge: Mr Tsia Chee Wah
(Date of appointment: April 20, 2010)

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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 2014 ("**FY2014**").

FINANCIAL AND OPERATIONAL OVERVIEW

For FY2014, both of the Group's operating subsidiaries, Micro Screen Production Pte Ltd and its subsidiary, Eternal Exposure Sdn Bhd (together, the "**Micro Screen Group**"), and Apphia Advanced Materials Pte Ltd ("**Apphia**") fared slightly worse compared to the previous year. Together, they achieved a revenue of S$4.65 million for FY2014, an increase of approximately 6% compared to S$4.39 million recorded in the financial year ended 31 December 2013 ("**FY2013**"). The improvement was largely due to larger orders for equipment and machinery.

Despite the higher revenue, the Group's gross profit reduced from S$0.97 million for FY2013 to S$0.79 million for FY2014. The decrease was mainly due to losses incurred on sales of scrap materials amounting to S$0.17 million.

Overall, the Group recorded a loss of S$2.39 million compared to S$0.80 million loss in FY2013. The higher losses can be attributed to: (i) write back of impairment on a receivable amounting to S$1.29 million in FY2013; (ii) loss incurred in sale of scrap materials amounting to S$0.17 million; and (iii) staff cost increased by S$0.11 million in FY2014.

The net proceeds of S$14.2 million received from the completion of the issuance of 875 million new shares on 12 March 2014, followed by net proceeds of S$4.9 million received from the completion of conversion of warrants in 2014 contributed to the increase in the cash and bank balances from S$2.4 million for FY2013 to S$20.2 million for FY2014.

OUTLOOK

The business environment in which the Group's existing subsidiaries operates is expected to remain 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.

With the diversification of the Group's business to (i) manufacturing and trading of energy-efficient equipment; (ii) property development and management; and (iii) hospitality-related services, the Board is of the view that the diversification and expansion of business activities will result in additional income streams and stable cash flow to the Group over the long term, and enhance shareholder value.

ACKNOWLEDEMENT

At this juncture, on behalf on the Board, we would like to accord our appreciation to all our valued shareholders, customers, business partners, management and staff for their invaluable support and contributions.

We also wish to put on record our deep appreciation to Mr Lim Keng Hock Jonathan, who resigned as Chairman and Executive Director, and Mr Tan Poh Chye Allan and Mr Ong Soon Teik, both of whom resigned as Non-Executive Independent Directors for their invaluable contributions to the Group.

Finally, I would like to express my sincerest thanks to our Board for their vast experience, wise counsel, and varied perspectives that have enriched the 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 25 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 an Executive Director of the Group on 30 May 2013.

Ms Kum has more than 15 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 at PricewaterhouseCoopers in Singapore.

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

Mr Gersom G Vetuz
Non-Executive Independent Director

Mr Vetuz joined the Group on 15 September 2008 as 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 40 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. He previously worked as an Audit Principal with Deloitte & Touche, Singapore. Mr Vetuz is currently a Partner with Moore Stephens LLP and was admitted to the partnership in January 2009.

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 has been practising as an advocate and solicitor in Singapore for 20 years. He graduated with honours from Cambridge University, United Kingdom, and practices law as an Executive Director of TSMP Law Corporation. He is an advocate and solicitor of the Supreme Court of Singapore.

Mr Loh is also an independent director of Metech International Limited and Vibrant Group Limited, both listed on the SGX-ST, and Vietnam Enterprise Investments Limited, a member of the Irish Stock Exchange. He is a member of the Board of Governors of Saint Joseph's Institution ("**SJI**") in Singapore and also a trustee and a member of the Management Committee of the SJI Foundation.

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 nine (9) years. Ms Tan possesses more than 19 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) 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 the company's founding in 1990, Ms Ng has been instrumental in growing Micro Screen from a start-up with seven (7) staff to becoming a leading regional supplier of screen and pad printing machines and supplies. Currently, she helms the overall operations and provides the strategic direction of the company.

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.

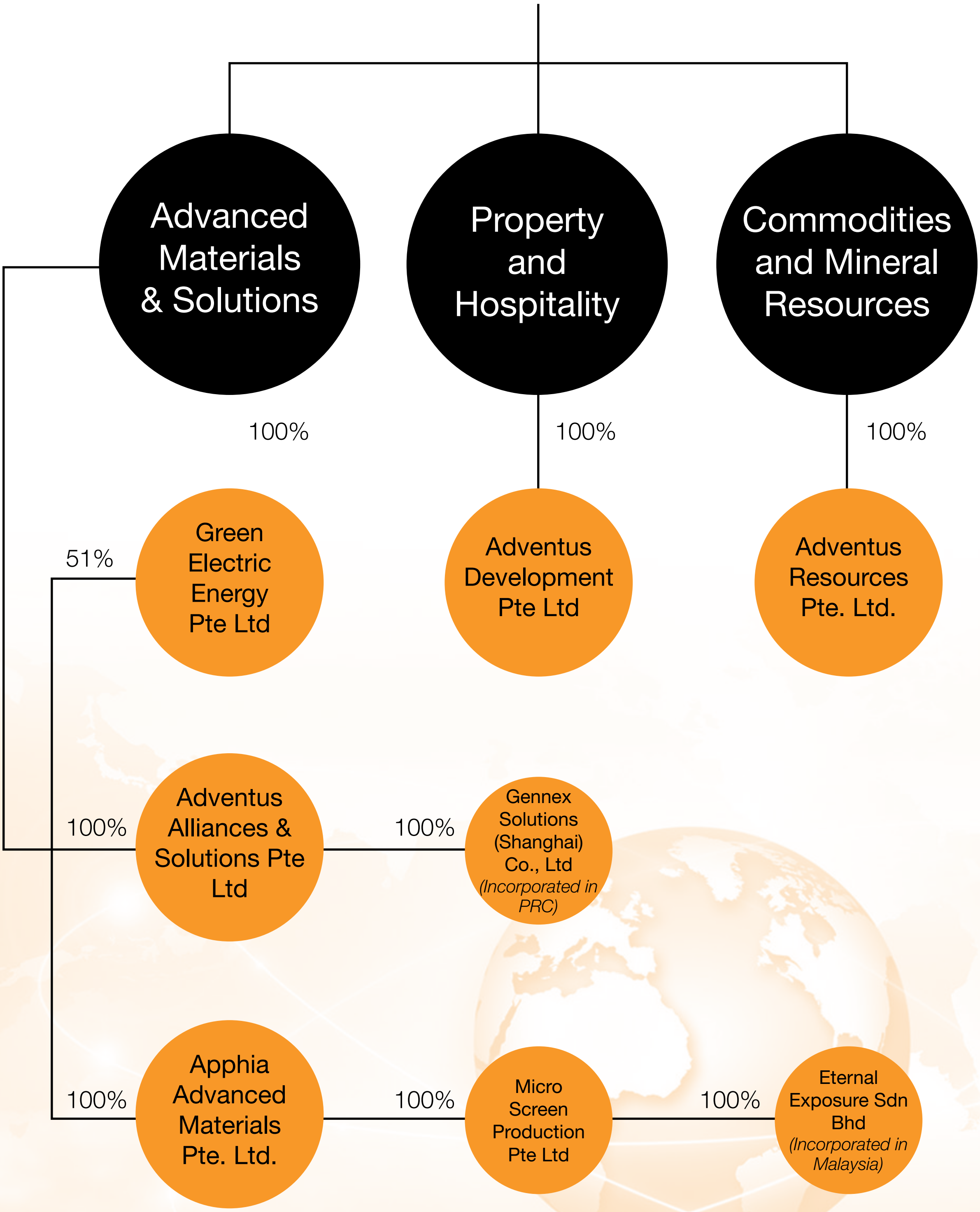
He is the founding President of Unaxis Singapore (previously known as Balzer and Leybolds Singapore), NGL Singapore (Westland Helicopter-Garrett Corporation JV), Altus Advanced Materials, and General Manager and director of Avimo Alvis Aerospace Pte. Ltd.

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

Adventus

Adventus Holdings Limited



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 Catalist 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 5 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.

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.

Corporate Governance Report

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.

In recognition of the high standard of accountability to its 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 2014, 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 [(1)]	1	–	–	–
Mr Lim Keng Hock Jonathan [(2)]	1	–	1	–
Ms Kum Ping Wei	2	–	–	–
Mr Gersom G Vetuz	2	2	1	1
Mr Loh Eu Tse Derek [(3)]	1	1	–	–
Ms Tan Soh Hoong [(4)]	–	–	–	–
Tan Poh Chye Allan [(5)]	1	1	1	1
Ong Soon Teik [(6)]	2	2	1	1

(1) Mr Chin Bay Ching was appointed as Chairman and Executive Director on 25 July 2014.

(2) Mr Lim Keng Hock Jonathan resigned as Chairman and Executive Director on 25 July 2014.

(3) Mr Loh Eu Tse Derek was appointed as Non-Executive Independent Director on 25 July 2014.

(4) Ms Tan Soh Hoong was appointed as Non-Executive Independent Director on 13 October 2014.

(5) Mr Tan Poh Chye Allan resigned as Non-Executive Independent Director on 25 July 2014.

(6) Mr Ong Soon Teik resigned as Non-Executive Independent Director on 13 October 2014.

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 (first appointed on 25 July 2014)	–	Chairman, Non-Executive Independent Director
Ms Tan Soh Hoong (first appointed on 13 October 2014)	–	Member, Non-Executive Independent Director
Mr Chin Bay Ching (first appointed on 25 July 2014)	–	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 independent 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 makes 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 Articles 95 and 96 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
Ms Kum Ping Wei	Executive Director	30 May 2013	Article 95
Mr Chin Bay Ching	Chairman and Executive Director	25 July 2014	Article 96
Mr Loh Eu Tse Derek	Non-Executive Independent Director	25 July 2014	Article 96
Ms Tan Soh Hoong	Non-Executive Independent Director	13 October 2014	Article 96
Mr Gersom G Vetuz	Non-Executive Independent Director	15 September 2008	Section 153(6)

There is no relationship (including immediate family relationships) between Ms Kum Ping Wei, Mr Chin Bay Ching, Mr Loh Eu Tse Derek, Ms Tan Soh Hoong and Mr Gersom G Vetuz nor any of them with the other Directors, the Company or its 10% shareholders.

Corporate Governance Report

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.

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	–[1]	–	–	–
Ms Kum Ping Wei	30 May 2013	30 April 2014	–	–	–
Mr Gersom G Vetuz	15 September 2008	30 April 2014	–	–	Partner, Moore Stephens LLP
Mr Loh Eu Tse Derek	25 July 2014	–[2]	Vibrant Group Limited Metech International Limited	–	Partner, TSMP Law Corporation
Ms Tan Soh Hoong	13 October 2014	–[3]	–	–	–

(1) Mr Chin Bay Ching was appointed as Chairman and Executive Director on 25 July 2014.

(2) Mr Loh Eu Tse Derek was appointed as Non-Executive Independent Director on 25 July 2014.

(3) Ms Tan Soh Hoong was appointed as Non-Executive Independent Director on 13 October 2014.

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.

As at 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.

Corporate Governance Report

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.

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 (first appointed on 13 October 2014)	–	Chairman, Non-Executive Independent Director
Mr Gersom G Vetuz (first appointed on 15 September 2008)	–	Member, Non-Executive Independent Director
Mr Loh Eu Tse Derek (first appointed on 25 July 2014)	–	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.

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.

Corporate Governance Report

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.

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**"), which expired on 16 February 2014.

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.

Corporate Governance Report

DISCLOSURE ON REMUNERATION

The breakdown of the remuneration of Directors paid for the financial year ended 31 December 2014 is as follows:

Remuneration and Name of Director	Remuneration (S$'000)	Salary[1] (%)	Bonus[2] (%)	Directors' fees[3] (%)
$250,000 to below $500,000				
N/A	–	–	–	–
Below $250,000				
Mr Chin Bay Ching[4]	116	81%	–	19%
Ms Kum Ping Wei	249	86%	–	14%
Mr Gersom G Vetuz	45	–	–	100%
Mr Loh Eu Tse Derek[5]	18	–	–	100%
Ms Tan Soh Hoong[6]	9	–	–	100%
Mr Lim Keng Hock Jonathan[7]	155	82%	–	18%
Mr Tan Poh Chye Allan[8]	22	–	–	100%
Mr Ong Soon Teik[9]	31	–	–	100%

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

(2) Bonus is inclusive of CPF.

(3) Directors' fees payable in cash, in 2015, for being a Director in FY2014. This is subject to shareholders' approval at the AGM of the Company to be held on 30 April 2015.

(4) Mr Chin Bay Ching was appointed as Chairman and Executive Director on 25 July 2014.

(5) Mr Loh Eu Tse Derek was appointed as Non-Executive Independent Director on 25 July 2014.

(6) Ms Tan Soh Hoong was appointed as Non-Executive Independent Director on 13 October 2014.

(7) Mr Lim Keng Hock Jonathan resigned as Chairman and Executive Director on 25 July 2014.

(8) Mr Tan Poh Chye Allan resigned as Non-Executive Independent Director on 25 July 2014.

(9) Mr Ong Soon Teik resigned as Non-Executive Independent Director on 13 October 2014.

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.

The profile of each of the key management is set out on Page 6 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 2014.

Remuneration band of key management staff	Salary[1]	Bonus[2]	Benefits
Below $250,000			
Mr Thomas Liu Kong Wah	100%	–	–
Ms Ng Lay Bee	86%	14%	–
(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 2014 is S$ 318,000.

Corporate Governance Report

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 17 February 2004 and amended pursuant to an EGM held on 29 December 2008. The Scheme expired on 16 February 2014. The Scheme was administered by the RC comprising three (3) of the following members:

Mr Ong Soon Teik (first appointed on 17 December 2010 and resigned on 13 October 2014)	–	Chairman, Non-Executive Independent Director
Mr Gersom G Vetuz (first appointed on 15 September 2008)	–	Member, Non-Executive Independent Director
Mr Tan Poh Chye Allan (first appointed on 29 May 2008 and resigned on 25 July 2014)	–	Member, Non-Executive Independent Director

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

The Company will seek shareholders' approval if a new Scheme is to be adopted.

During the year under review, there were no options granted by the Company. Details of the options granted in previous years are provided in the Report of the Directors at pages 24 to 27. The termination of the Scheme shall not affect share options which have been granted.

In accordance with Rule 851(1)(b) of the Catalist Rules, the following table sets out the options that have been granted to the Directors:

Name of Director	Options granted during financial year under review	Aggregate options granted since commencement of Scheme till end of financial year under review	Aggregate options exercised since commencement of Scheme till end of financial year under review	Aggregate options outstanding as at end of financial year under review
Gersom G Vetuz	–	2,200,000	2,200,000	–
Tan Poh Chye Allan (1)	–	2,200,000	2,200,000	–
Ong Soon Teik (2)	–	1,550,000	1,550,000	–

(1) Mr Tan Poh Chye Allan resigned as Non-Executive Independent Director on 25 July 2014.

(2) Mr Ong Soon Teik resigned as Non-Executive Independent Director on 13 October 2014.

Saved as disclosed, none of the Directors has been granted any options.

Corporate Governance Report

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 2014. 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
- reviews management's assessment of risks and management's action plans to mitigate such risks.

Management presented an annual report to the Audit Committee 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 2014.

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 (first appointed on 15 September 2008)	–	Chairman, Non-Executive Independent Director
Mr Loh Eu Tse Derek (first appointed on 25 July 2014)	–	Member, Non-Executive Independent Director
Ms Tan Soh Hoong (first appointed on 13 October 2014)	–	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 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$113,868. 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.

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.

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 2014 in accordance with the internal audit plan approved by the AC.

Corporate Governance Report

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.

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 not be putting all resolutions to vote by poll at the upcoming AGM. The Company will adopt voting by poll from August 2015 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.

Corporate Governance Report

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

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 2014.

Date of contract	*Names of parties*	*Description*	*Contract Amount*	*Salient terms and conditions*
27 June 2014	(1) Lender: Mr Lim Keng Hock Jonathan[(1)] (2) Borrower: Apphia Advanced Materials Pte Ltd	Loan agreement	Loan amount of S$50,000	- The interest is chargeable at 5% per annum (pro-rated based on calendar days of 365 days). - The loan tenure is 6 months and it is repayable on demand. - No security. - Loan remained outstanding as at 31 December 2014.
23 July 2014	(1) Lender: Mr Lim Keng Hock Jonathan[(1)] (2) Borrower: Apphia Advanced Materials Pte Ltd	Loan agreement	Loan amount of S$65,000	- The interest is chargeable at 5% per annum (pro-rated based on calendar days of 365 days). - The loan tenure is 6 months and it is repayable on demand. - No security. - Loan remained outstanding as at 31 December 2014.
11 September 2014	(1) Lender: Mr Lim Keng Hock Jonathan[(1)] (2) Borrower: Apphia Advanced Materials Pte Ltd	Loan agreement	Loan amount of S$35,000	- The interest is chargeable at 5% per annum (pro-rated based on calendar days of 365 days). - The loan tenure is 6 months and it is repayable on demand. - No security. - Loan remained outstanding as at 31 December 2014.

(1) Mr Lim Keng Hock Jonathan, former Chairman and Executive Director of the Company (who resigned on 25 July 2014), is a director of Apphia Advanced Materials Pte Ltd.

Corporate Governance Report

USE OF PROCEEDS

As at the beginning of the financial year ended 31 December 2014, the Company had balance proceeds of S$1.34 million, which was raised from a placement in October 2010. An aggregate of S$0.86 million was used for working capital purposes, as set out below:

	S$'000
Balance as at 1 Jan 2014	1,340
Repayments received from loan	1,129
Payments for director and staff expenses	(795)
Payments for operational costs	(166)
Payments for professional fee and other compliance costs	(254)
Balance as at 31 December 2014	1,254

On 12 March 2014, the Company completed the issuance of 875,000,000 new ordinary shares at S$0.0165 per share and received net proceeds of S$14.164 million. Pending the deployment of the net proceeds, the Company invested S$1.245 million in certain quoted securities to generate investment income during the financial year ended 31 December 2014.

STATEMENT OF COMPLIANCE

The Board confirms that for the financial year ended 31 December 2014, 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.

Report of the Directors

The directors present their report 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, 2014.

1 DIRECTORS

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

Chin Bay Ching	(Appointed on July 25, 2014)
Kum Ping Wei	
Gersom G Vetuz	
Loh Eu Tse Derek	(Appointed on July 25, 2014)
Tan Soh Hoong	(Appointed on October 13, 2014)

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 paragraph 3 and 5 of the Report of the Directors.

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 name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
The Company (Ordinary shares)				
Chin Bay Ching	880,070,480	82,942,256	–	911,797,103
Kum Ping Wei	236,365,772	–	–	236,365,772
Gersom G Vetuz	–	2,200,000	–	–
The Company (Share options)				
Gersom G Vetuz	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, 2015 were the same as at December 31, 2014.

Report of the Directors

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except certain transactions that the Group has been entered with the companies in which directors have interests as disclosed in Note 5 to the financial statements.

5 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. 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 ("**RC**").

Report of the Directors

5 SHARE OPTIONS AND WARRANTS (cont'd)

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

Date options granted	At January 1, 2014	Granted during the year	Exercised during the year	Expired during the year	Lapsed during the year	At December 31, 2014	Exercise price per share	Number of option holders	Period exercisable
25.11.2004	15,000	–	–	(15,000)	–	–	–	–	25.11.2005 – 25.11.2014
16.08.2007	500,000	–	–	–	–	500,000	0.095	1	16.08.2008 – 16.08.2017
05.01.2009	500,000	–	(500,000)	–	–	–	0.035	–	05.01.2010 – 05.01.2019
05.03.2010	1,440,000	–	(800,000)	–	–	640,000	0.035	3	05.03.2011 – 05.03.2020
15.08.2011	1,550,000	–	(1,510,000)	–	–	40,000	0.0183	1	15.08.2012 – 15.08.2021
23.05.2012	4,300,000	–	(3,300,000)	–	–	1,000,000	0.022	5	23.05.2013 – 23.05.2022
	8,305,000	–	(6,110,000)	(15,000)	–	2,180,000			

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

	Number of options to subscribe for ordinary shares				
	Aggregate options granted during the year ended December 31, 2014	Aggregate options granted since commencement to December 31, 2014	Aggregate options exercised since commencement to December 31, 2014	Aggregate lapsed/forfeited since commencement to December 31, 2014	Aggregate options outstanding at December 31, 2014
Director					
Gersom G Vetuz	–	2,200,000	(2,200,000)	–	–

Particulars of the options granted in 2004, 2007, 2009, 2010, 2011 and 2012 under the Scheme were set out in the Report of the Directors for the financial year ended December 31, 2004, December 31, 2007, December 31, 2009, December 31, 2010, December 31, 2011 and December 31, 2012 respectively.

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 16 February 2014. The Company will seek shareholders' approval if a new scheme is to be adopted.

Report of the Directors

5 SHARE OPTIONS AND WARRANTS (cont'd)

(c) Unissued shares under warrants and warrants exercised

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 Company's subsidiary – Apphia Advanced Materials Pte. Ltd., as part of the consideration for the acquisition of Apphia Advanced Materials Pte. Ltd.. 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, were fully exercised in current year.

Date warrants granted	At January 1, 2014	Granted during the year	Exercised during the year	Lapsed during the year	At December 31, 2014	Exercise price per warrant	Number of warrant holders	Period exercisable
06.01.2012	244,454,946	–	(244,454,946)	–	–	0.02	–	06.01.2012–31.12.2014

6 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 8, 2015

Statement of Directors

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 31 to 78 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2014, and of the results, 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.

ON BEHALF OF THE DIRECTORS

....
Chin Bay Ching

....
Gersom G Vetuz

Date:

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, 2014, 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 31 to 78.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets 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 state of affairs of the Group and of the Company as at December 31, 2014 and of the results, 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 subsidiaries 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 8, 2015

Statements of Financial Position

December 31, 2014

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
ASSETS					
Current assets					
Cash and cash equivalents	6	20,161,808	2,423,165	19,972,418	1,903,284
Trade receivables	7	490,345	468,886	–	–
Other receivables and prepayments	8	195,529	1,311,426	76,623	1,251,711
Inventories	9	808,507	1,390,670	–	–
Held-for-trading investments	10	1,233,738	–	1,233,738	–
Total current assets		22,889,927	5,594,147	21,282,779	3,154,995
Non-current assets					
Subsidiaries	11	–	–	1,121,091	1,120,480
Goodwill	12	–	–	–	–
Property, plant and equipment	13	3,549,169	4,405,804	19,481	–
Total non-current assets		3,549,169	4,405,804	1,140,572	1,120,480
Total assets		26,439,096	9,999,951	22,423,351	4,275,475
LIABILITIES AND EQUITY					
Current liabilities					
Finance leases	14	124,854	415,906	–	–
Trade payables	15	415,853	512,429	–	–
Other payables	16	1,071,049	766,238	602,199	496,271
Interest-bearing loan	17	65,514	62,171	–	–
Total current liabilities		1,677,270	1,756,744	602,199	496,271
Non-current liabilities					
Finance leases	14	–	219,524	–	–
Other payables	16	6,097	5,785	–	–
Interest-bearing loan	17	1,082,261	1,147,774	–	–
Deferred tax liabilities	18	230,580	240,605	–	–
Total non-current liabilities		1,318,938	1,613,688	–	–
Capital and reserves					
Share capital	19	52,411,370	31,750,964	52,411,370	31,750,964
Warrant reserve	20	–	1,382,646	–	1,382,646
Statutory reserve		119,135	119,135	–	–
Translation reserve		24,495	14,548	–	–
Share options reserve		26,845	105,993	26,845	105,993
Accumulated losses		(29,136,377)	(26,743,767)	(30,617,063)	(29,460,399)
Net equity attributable to owners of the Company		23,445,468	6,629,519	21,821,152	3,779,204
Non-controlling interest		(2,580)	–	–	–
Total equity		23,442,888	6,629,519	21,821,152	3,779,204
Total liabilities and equity		26,439,096	9,999,951	22,423,351	4,275,475

See accompanying notes to financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Financial year ended December 31, 2014

	Note	Group 2014 $	Group 2013 $
Revenue	21	4,652,030	4,386,199
Cost of sales		(3,860,768)	(3,415,220)
Gross profit		791,262	970,979
Other operating income	22	266,194	1,453,969
Other expenses	10	(11,262)	–
Distribution and selling expenses		(94,696)	(91,742)
Administrative expenses		(3,277,329)	(3,129,805)
Finance costs	23	(86,766)	(112,715)
Loss before income tax		(2,412,597)	(909,314)
Income tax	24	17,631	106,080
Loss for the year	25	(2,394,966)	(803,234)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, representing other comprehensive income, net of tax		9,947	7,714
Total comprehensive loss for the year		(2,385,019)	(795,520)
Loss for the year attributable to:			
Owners of Company		(2,392,610)	(803,234)
Non-controlling interest		(2,356)	–
		(2,394,966)	(803,234)
Total comprehensive loss attributable to:			
Owners of Company		(2,382,663)	(795,520)
Non-controlling interest		(2,356)	–
		(2,385,019)	(795,520)
Loss per share			
- basic and diluted	26	0.16 cents	0.10 cents

See accompanying notes to financial statements

Statements of Changes in Equity

Financial year ended December 31, 2014

	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interests	Total
	$	$	$	$	$	$	$	$	$
Group									
Balance at January 1, 2013	31,465,503	1,439,206	119,135	6,834	113,484	(25,940,533)	7,203,629	–	7,203,629
Total comprehensive loss for the year									
Loss for the year	–	–	–	–	–	(803,234)	(803,234)	–	(803,234)
Other comprehensive income for the year	–	–	–	7,714	–	–	7,714	–	7,714
Total	–	–	–	7,714	–	(803,234)	(795,520)	–	(795,520)
Transaction with owners recognised directly in equity									
Recognition of share-based payments (Note 27)	–	–	–	–	3,110	–	3,110	–	3,110
Exercise of share options (Note 27)	28,901	–	–	–	(10,601)	–	18,300	–	18,300
Exercise of warrants (Note 20)	256,560	(56,560)	–	–	–	–	200,000	–	200,000
Total	285,461	(56,560)	–	–	(7,491)	–	221,410	–	221,410
Balance at December 31, 2013	31,750,964	1,382,646	119,135	14,548	105,993	(26,743,767)	6,629,519	–	6,629,519

See accompanying notes to financial statements

Statements of Changes in Equity

Financial year ended December 31, 2014

	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling	Total
	$	$	$	$	$	$	$	$	$
Group									
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									
Loss for the year	–	–	–	–	–	(2,392,610)	(2,392,610)	(2,356)	(2,394,966)
Other comprehensive income for the year	–	–	–	9,947	–	–	9,947	–	9,947
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 28)	–	–	–	–	–	–	–	(224)	(224)
Issue of share (Note 19)	14,437,500	–	–	–	–	–	14,437,500	–	14,437,500
Share issuance cost (Note 19)	(273,719)	–	–	–	–	–	(273,719)	–	(273,719)
Exercise of share options (Note 27)	224,880	–	–	–	(79,148)	–	145,732	–	145,732
Exercise of warrants (Note 20)	6,271,745	(1,382,646)	–	–	–	–	4,889,099	–	4,889,099
Total	20,660,406	(1,382,646)	–	–	(79,148)	–	19,198,612	(224)	19,198,388
Balance at December 31, 2014	52,411,370	–	119,135	24,495	26,845	(29,136,377)	23,445,468	(2,580)	23,442,888

See accompanying notes to financial statements

Statements of Changes in Equity

Financial year ended December 31, 2014

	Share capital $	Warrant reserve $	Share options reserve $	Accumulated losses $	Total $
Company					
Balance at January 1, 2013	31,465,503	1,439,206	113,484	(29,371,596)	3,646,597
Loss for the year, representing total comprehensive loss for the year	–	–	–	(88,803)	(88,803)
Transaction with owners recognised directly in equity					
Recognition of share-based payments (Note 27)	–	–	3,110	–	3,110
Exercise of share options (Note 27)	28,901	–	(10,601)	–	18,300
Exercise of warrants (Note 20)	256,560	(56,560)	–	–	200,000
Total	285,461	(56,560)	(7,491)	–	221,410
Balance at December 31, 2013	**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 19)	14,437,500	–	–	–	14,437,500
Share issuance cost (Note 19)	(273,719)	–	–	–	(273,719)
Exercise of share options (Note 27)	224,880	–	(79,148)	–	145,732
Exercise of warrants (Note 20)	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

See accompanying notes to financial statements

Consolidated Statement of Cash Flows

Financial year ended December 31, 2014

	Group	
	2014	2013
	$	$
Operating activities		
Loss before income tax	(2,412,597)	(909,314)
Adjustments for:		
Allowance for inventories	113,075	–
Reversal of allowance for inventories	(83,781)	(67,944)
Allowance (Reversal of allowance) for doubtful receivables	29,917	(1,286,112)
Depreciation of property, plant and equipment	589,350	670,079
Fair value loss on held-for-trading investments	11,262	–
Gain on disposal of available-for-sale investments	–	(88,792)
Gain on disposal of held-for-trading investments	(126,312)	–
Reinstatement cost	312	295
Interest expense	86,766	112,715
Interest income	(8,124)	(5)
Gain on disposal of property, plant and equipment	(4,779)	(46,072)
Impairment of property, plant and equipment	–	67,462
Share options expense	–	3,110
Impairment loss on goodwill (Note 12)	743	–
Operating cash flows before movements in working capital	(1,804,168)	(1,544,578)
Trade receivables	(44,858)	201,552
Other receivables	(18,572)	(38,719)
Inventories	552,869	281,177
Trade payables	(96,576)	106,456
Other payables	303,354	129,381
Cash used in operations	(1,107,951)	(864,731)
Income tax refund	7,606	144,075
Net cash used in operating activities	(1,100,345)	(720,656)
Investing activities		
Acquisition of property, plant and equipment	(45,495)	(126,136)
Interest received	8,124	5
Acquisition of subsidiary (Note 28)	(510)	–
Proceeds from disposal of property, plant and equipment	316,714	60,349
Acquisition of investments held-for-trading	(19,359,372)	–
Proceeds from disposal of available-for-sale investments	–	346,392
Proceeds from disposal of investments held-for-trading	18,240,684	–
Net cash (used in) from investing activities	(839,855)	280,610

See accompanying notes to financial statements

Consolidated Statement of Cash Flows

Financial year ended December 31, 2014

	Group	
	2014	2013
	$	$
Financing activities		
Interest paid	(86,766)	(112,715)
Repayment of obligation under finance leases	(510,576)	(408,519)
Issuance of shares	19,472,331	218,300
Payment for share issuance expenses	(273,719)	–
Repayment from third parties	1,128,951	87,792
Repayment of bank loan	(62,170)	(53,560)
Net cash from (used in) financing activities	19,668,051	(268,702)
Net increase (decrease) in cash and cash equivalents	17,727,851	(708,748)
Cash and cash equivalents at beginning of year	2,423,165	3,121,395
Net effect of exchange rate changes on cash and cash equivalents	10,792	10,518
Cash and cash equivalents at end of year	20,161,808	2,423,165

See accompanying notes to financial statements

Notes to Financial Statements

December 31, 2014

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 11 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, 2014 were authorised for issue by the Board of Directors on April 8, 2015.

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, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

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

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS - On January 1, 2014, 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.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*
- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)
- Improvements to Financial Reporting Standards (November 2014)
- FRS 115 *Revenue from Contracts with Customers*

Consequential amendments were also made to various standards as a result of these new/revised standards.

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.

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, 2014

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.

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 in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

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.

Available-for-sale financial assets

Certain shares held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in Note 4 to the financial statements. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Notes to Financial Statements

December 31, 2014

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. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of profit or loss and other comprehensive income. 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 certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30-90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. With the exception of available-for-sale equity instruments, 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 27. 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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Notes to Financial Statements

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate 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, 2014

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

Management is of the opinion that there are no instances of application of judgements which may have a significant effect on the amounts recognised in the financial statements apart from those involving estimations (see below).

(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.

(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.

(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 determined that the recoverable amount of certain plant and equipment through fair value less cost to sell is or value in use higher than its carrying amount and accordingly, no impairment loss (2013 : $67,462) has been recognised. 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 is use is calculated based on cash flow forecasts derived from the most recent financial forecasts for next 4 years, assuming a 2% growth rate and applying a discount rate of 10%. Change in these estimations may affect the computation of the recoverable amount. The carrying amount of property, plant and equipment are disclosed in Note 13 to the financial statements.

Notes to Financial Statements

December 31, 2014

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

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

(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 11 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 2014 and 2013. 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.

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 issue 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	
	2014	2013	2014	2013
	$	$	$	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	20,729,422	4,066,280	20,033,900	3,072,316
Held-for-trading investments	1,233,738	–	1,233,738	–
	21,963,160	4,066,280	21,267,638	3,072,316
Financial liabilities				
At amortised cost	2,756,804	3,121,003	602,199	496,271

Notes to Financial Statements

December 31, 2014

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

(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.

(i) Foreign exchange risk management

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

The 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	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
United States dollar	308,327	509,777	200,694	480,981	107,633	28,796
Singapore dollar	–	–	1,043,450	914,584	(1,043,450)	(914,584)
Japanese yen	193,550	217,098	–	–	193,550	217,098
Australian dollar	–	1,354,800	–	–	–	1,354,800
Euro	–	–	19,673	11,900	(19,673)	(11,900)
Swiss Franc	–	–	6,303	–	(6,303)	–
Renminbi	10,276	–	–	9,672	10,276	(9,672)

Company

	Assets		Liabilities		Net asset (liability) exposure	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
United States dollar	144,513	134,381	–	–	144,153	134,381
Japanese yen	193,550	217,098	–	–	193,550	217,098
Australian dollar	–	1,354,800	–	–	–	1,354,800

Notes to Financial Statements

December 31, 2014

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 (cont'd)

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 SGD strengthens 10% against the relevant currency. For a 10% weakening of the SGD against the relevant currency, there would be an equal and opposite impact on the loss.

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Impact to profit or loss				
United States dollar	(10,763)	(2,880)	(14,451)	(13,438)
Singapore dollar	104,345	91,458	–	–
Japanese yen	–[1]	–[1]	–[1]	–[1]
Australian dollar	–	(135,480)	–	(135,480)
Euro	1,967	1,190	–	–
Swiss Franc	630	–	–	–
Reminbi	(1,028)	967	–	–

[1] The balances that are denominated in Japanese yen have been fully impaired and changes in the foreign exchange rates on these balances will not impact profit or loss.

(ii) *Interest rate risk management*

The Group is exposed to interest rate risk as the bank loan bears variable interest rates as disclosed in Note 17. The finance leases bear fixed interest rates and do not subject the Group to any interest rate risks.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended December 31, 2014 would increase/decrease by $5,739 (2013 : $6,050). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Notes to Financial Statements

December 31, 2014

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

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

(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.

In FY2014, the Group is not exposed to any concentration of credit risk. In FY2013, the Group concentration of credit risk related to an amount of $1,129,000 which was due from one debtor which was that 70.6% of total trade and other receivables. The amount was fully received in 2014.

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.

(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.

Notes to Financial Statements

December 31, 2014

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

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

(iv) *Liquidity risk management* (cont'd)

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 those assets and 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 asset and 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						
2014						
Financial liabilities						
Non-interest bearing	–	1,334,175	–	–	–	1,334,175
Loan from a subsidiary's director	5.0	157,500	–	–	(7,500)	150,000
Fixed interest rate	4.9	127,222	–	–	(2,368)	124,854
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
2013						
Financial liabilities						
Non-interest bearing	–	1,275,628	–	–	–	1,275,628
Fixed interest rate	4.9	436,891	223,209	–	(24,670)	635,430
Variable interest rate	4.9	123,840	495,360	1,124,880	(534,135)	1,209,945
Total		1,836,359	718,569	1,124,880	(558,805)	3,121,003

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 $1,147,775 (2013 : $1,209,945). 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 (2013 : 1 year) from the end of the reporting period.

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 above, represents the Group's maximum exposure to credit risk.

Notes to Financial Statements

December 31, 2014

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 company's financial assets and financial liabilities 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 and financial liabilities are determined (in particular, the valuation technique(s) and inputs used)

Financial assets/ financial liabilities	Fair value as at 2014		2013		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	Assets	Liabilities	Assets	Liabilities				
Held-for-trading (see note 10)								
Equity investment	1,233,738	–	–	–	Level 1	Quoted price in an active market	N/A	N/A

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:

	Group 2014	2013
	$	$
Transactions		
Rental fee paid to a company in which a director has an interest	20,960	50,872
Service fee paid to a company in which a director has an interest	20,400	36,000
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	3,991	–
Consultancy fees paid to a company in which a director has an interest	1,320	21,068

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December 31, 2014

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	
	2014	2013
	$	$
Short term benefits	1,066,500	1,017,204
Post employment benefits	43,338	45,153
Share-based payments	–	14,727
	1,109,838	1,077,084

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash on hand	4,713	6,919	1,029	695
Fixed deposit	4,000,921	–	4,000,921	–
Cash at banks	16,156,174	2,416,246	15,970,468	1,902,589
	20,161,808	2,423,165	19,972,418	1,903,284

Fixed deposit bear average effective interest rate of 0.32% (2013 : Nil) per annum and for a tenure of approximately 5 days (2013 : Nil).

7 TRADE RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Outside parties	532,316	487,684	–	–
Less: Allowance for doubtful debts	(41,971)	(18,798)	–	–
	490,345	468,886	–	–
Subsidiary (Note 11)	–	–	495,166	495,166
Less: Allowance for doubtful debts	–	–	(495,166)	(495,166)
	490,345	468,886	–	–

The average credit period on sales of goods is 30 days to 90 days (2013 : 30 days to 60 days). No interest is charged on the trade receivables for the outstanding balance.

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.

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7 TRADE RECEIVABLES (cont'd)

Included in the Group's trade receivables balance are debtors with a carrying amount of $208,147 (2013 : $211,829) respectively 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	
	2014	2013
	$	$
Less than 3 months	193,985	156,957
3 months to 6 months	6,109	48,943
More than 6 months	8,053	5,929
	208,147	211,829

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	
	2014	2013	2014	2013
	$	$	$	$
Balance at beginning of year	18,798	178,728	495,166	495,166
Amount utilised	(226)	(88,172)	–	–
Charge (Credit) to profit or loss	23,399	(71,758)	–	–
Balance at end of year	41,971	18,798	495,166	495,166

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8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Prepayments	118,260	137,197	15,141	82,679
	118,260	137,197	15,141	82,679
Amount due from subsidiaries (Note 11)	–	–	1,697,618	1,663,465
Less: Allowance for doubtful debts	–	–	(1,642,507)	(1,633,291)
	–	–	55,111	30,174
Deposits	114,625	307,525	45,204	272,845
Less: Allowance for doubtful debts	(38,833)	(262,987)	(38,833)	(262,987)
	75,792	44,538	6,371	9,858
Other receivables	236,316	1,388,078	234,839	1,387,387
Less: Allowances for doubtful debts	(234,839)	(258,387)	(234,839)	(258,387)
	1,477	1,129,691	–	1,129,000
	195,529	1,311,426	76,623	1,251,711

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.

Movements in allowances for doubtful debts

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Balance at beginning of year	521,374	2,037,542	2,154,665	3,663,373
Amount utilised	(254,220)	(301,814)	(254,220)	(553,524)
Charge (Credit) to profit or loss	6,518	(1,214,354)	15,734	(955,184)
Balance at end of year	273,672	521,374	1,916,179	2,154,665

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9 INVENTORIES

	Group	
	2014	2013
	$	$
Raw materials	781,712	1,372,880
Finished goods, at net realisable value	26,795	17,790
	808,507	1,390,670

The cost of inventories recognised as an expense included $113,075 (2013: $Nil) in respect of write-downs of inventories to net realisable value.

During the financial year, $83,781 (2013 : $67,944) 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	
	2014	2013
	$	$
Quoted equity security, at fair value	1,233,738	–

The investment in quoted equity 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 2014, a fair value loss of $11,262 due to decline market prices was recognised in profit or loss.

11 SUBSIDIARIES

	Company	
	2014	2013
	$	$
Unquoted equity shares, at cost	5,985,447	5,984,836
Less: Impairment losses	(4,864,356)	(4,864,356)
	1,121,091	1,120,480

Movements in impairment losses for subsidiaries

	Company	
	2014	2013
	$	$
Balance at beginning and end of year	4,864,356	4,864,356

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11 SUBSIDIARIES (cont'd)

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 the 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 2014 %	2013 %
Held by the Company				
Apphia Advanced Materials Pte. Ltd. [1]	Singapore	Manufacturing of sputtering targets and provision of services for thin film solutions	100	100
Adventus Resources Pte. Ltd. [1]	Singapore	Dormant	100	100
Adventus Alliances & Solutions Pte. Ltd. [1] [5]	Singapore	Dormant	100	–
Green Electric Energy Pte. Ltd. [1] [6]	Singapore	Provision of engineering services in clean energy system	51	–
Adventus Development Pte. Ltd. [4]	Singapore	Hotel, hospitality and tourism-related business	100	–
Held by subsidiaries				
Adventus Alliances & Solutions Pte. Ltd. [1] [5]	Singapore	Dormant	–	100
Eternal Exposure Sdn Bhd [2]	Malaysia	Trading in printing machines, lithographic supplies and services for silkscreen printing	100	100
Gennex Solutions (Shanghai) Co., Ltd [3]	The People's Republic of China	Dormant (formerly traders in electronic appliances and wiring accessories)	100	100
Micro Screen Production Pte Ltd [1]	Singapore	Trading in printing machines, lithographic supplies and services for silkscreen printing	100	100

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited by TY Teoh & Co, Malaysia.
(3) Audited by Deloitte & Touche LLP, Singapore for consolidation purposes.
(4) Newly incorporated in current year and audit is not required.
(5) Transferred from subsidiary – Apphia Advanced Materials Pte. Ltd. to the Company.
(6) Acquired in current year.

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

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December 31, 2014

12 GOODWILL

	Group
	$
Cost:	
At January 1, 2013 and December 31, 2013	1,524,841
Arising from acquisition of subsidiary	743
At December 31, 2014	1,525,584
Impairment:	
At January 1, 2013 and December 31, 2013	(1,524,841)
Arising from acquisition of subsidiary	(743)
At December 31, 2014	(1,525,584)
Carrying amount:	
At December 31, 2013 and December 31, 2014	–

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:

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

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 are those regarding the discount rates, growth rates and expected changes to selling price and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate does 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.

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13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Plant and machinery	Tools and equipment	Total
	$	$	$	$	$	$	$	$
Group								
Cost								
At January 1, 2013	3,405,650	57,711	177,082	315,533	174,256	3,216,086	112,858	7,459,176
Additions	19,000	5,530	9,000	4,600	–	81,792	6,214	126,136
Disposals	–	–	–	–	(147,081)	(45,425)	–	(192,506)
Written off	–	–	(14,221)	–	–	–	–	(14,221)
Exchange differences	–	(183)	(374)	(2,662)	(628)	(6,590)	–	(10,437)
At December 31, 2013	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

Notes to Financial Statements

December 31, 2014

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold land and building	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Plant and machinery	Tools and equipment	Total
	$	$	$	$	$	$	$	$
Group								
Accumulated depreciation								
At January 1, 2013	139,981	46,338	160,244	292,140	140,808	1,016,714	103,086	1,899,311
Depreciation	132,618	3,939	8,369	9,099	14,800	498,041	3,213	670,079
Disposals	–	–	–	–	(142,741)	(35,488)	–	(178,229)
Written off	–	–	(14,221)	–	–	–	–	(14,221)
Exchange differences	–	(173)	(213)	(2,619)	(628)	(4,000)	–	(7,633)
At December 31, 2013	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
Impairment loss								
At January 1, 2013	–	–	–	–	–	525,575	–	525,575
Charge to profit or loss	–	269	3,635	689	–	62,869	–	67,462
At December 31, 2013	–	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
Carrying amount								
At December 31, 2014	3,019,309	15,155	18,536	27,265	8,289	450,295	10,320	3,549,169
At December 31, 2013	3,152,051	12,685	13,673	18,162	14,308	1,182,152	12,773	4,405,804

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December 31, 2014

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The carrying amount of the Group's plant and equipment includes an amount of $136,786 (2013 : $751,412) secured in respect of assets held under finance leases.

As a result of continued 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 $593,037 in the prior year. The recoverable amount of the relevant assets have been determined on the basis of their fair value less cost to sell or value in use. Management is of the opinion that no further impairment is required in 2014.

The leasehold land and building are pledged as security for the interest-bearing loan in Note 17.

	Furniture and fittings	Office equipment	Renovation	Total
	$	$	$	$
Company				
Cost				
At January 1, 2013	1,968	61,098	–	63,066
Written off	–	(14,221)	–	(14,221)
At December 31, 2013	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
Accumulated depreciation				
At January 1, 2013	1,968	61,098	–	63,066
Depreciation	–	(14,221)	–	(14,221)
At December 31, 2013	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
Carrying amount				
At December 31, 2014	–	6,249	13,232	19,481
At December 31, 2013	–	–	–	–

Notes to Financial Statements

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14 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	$	$	$	$
Amounts payable under finance leases:				
Within one year	127,222	436,891	124,854	415,906
In the second to fifth years inclusive	–	223,209	–	219,524
	127,222	660,100	124,854	635,430
Less: Future finance charges	(2,368)	(24,670)	N.A	N.A
Present value of lease obligations	124,854	635,430	124,854	635,430
Less: Amount due for settlement within 12 months (shown under current liabilities)			(124,854)	(415,906)
Amount due for settlement after 12 months			–	219,524

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 5 years (2013 : 5 years). The average effective borrowing rate is 4.9% (2013 : 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.

All finance leases are denominated in Singapore dollars.

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

15 TRADE PAYABLES

	Group	
	2014	2013
	$	$
Outside parties	415,853	512,429

The average credit period on purchases of goods and services is 30 days to 60 days (2013 : 30 days to 60 days). No interest is charged on overdue trade payables.

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16 OTHER PAYABLES

	Group 2014	Group 2013	Company 2014	Company 2013
	$	$	$	$
Current:				
Accruals	684,900	468,948	394,660	239,234
Loan from a subsidiary's director	150,000	–	–	–
Subsidiary (Note 11)	–	–	120,028	119,928
Advance receipts	8,824	8,824	–	–
Related company (Note 5)	42,000	28,000	–	–
Others	185,325	260,466	87,511	137,109
	1,071,049	766,238	602,199	496,271
Non-current:				
Provision for reinstatement costs	6,097	5,785	–	–

Movement in provision for reinstatement costs:

	Group 2014	Group 2013	Company 2014	Company 2013
Balance at beginning of the year	5,785	5,490	–	–
Charge to profit or loss	312	295	–	–
Balance at end of the year	6,097	5,785	–	–

Loan from a subsidiary's director bears interest at average rate of 5% (2013 : Nil) per annum, is unsecured and repayable on demand.

17 INTEREST-BEARING LOAN

	Group 2014	Group 2013	Company 2014	Company 2013
	$	$	$	$
Current				
Bank loan (Secured)	65,514	62,171	–	–
Non-current				
Bank loan (Secured)	1,082,261	1,147,774	–	–

The loan was advanced on January 8, 2010 and is repayable over 216 monthly instalments until January 7, 2028. The loan is secured by first legal mortgage over the leasehold property and a corporate guarantee from the Company.

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 192 instalments at 0.25% above the bank's Enterprise Financing Rate from February 2012 to January 2028.

The bank loan is denominated in the functional currency of the subsidiary.

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18 DEFERRED TAX LIABILITIES

	Fair value adjustment on leasehold land building on business combination
	$
Group	
At January 1, 2013	250,630
Credit to profit or loss (Note 24)	(10,025)
At December 31, 2013	240,605
Credit to profit or loss (Note 24)	(10,025)
At December 31, 2014	230,580

19 SHARE CAPITAL

	Group and Company			
	2014	2013	2014	2013
	Number of ordinary shares		$	$
Issued and paid-up:				
At beginning of the year	825,054,385	814,054,385	31,750,964	31,465,503
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	1,000,000	224,880	28,901
Exercise of warrants [(3)]	244,454,946	10,000,000	6,271,745	256,560
At end of the year	1,950,619,331	825,054,385	52,411,370	31,750,964

(1) The total proceeds from the issuance of shares from share placement exercise amounted to $14,437,500 (2013 : Nil).

(2) The total proceeds from the issuance of shares from exercise of share options amounted to $145,732 (2013 : $18,300).

(3) The total proceeds from the issuance of shares from exercise of warrants amounted to $4,889,099 (2013 : $200,000).

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.

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20 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 had been exercised as at December 31, 2014.

21 REVENUE

	Group	
	2014	2013
	$	$
Sales of goods	4,652,030	4,386,199

22 OTHER OPERATING INCOME

	Group	
	2014	2013
	$	$
Interest income	8,124	5
Government grant	98,872	8,674
Rental income	2,853	16,793
Reversal of allowance for doubtful receivables	6,131	1,293,308
Gain on disposal of plant and equipment	4,779	46,072
Gain on disposal of available-for-sale investments	–	88,792
Gain on disposal of held-for-trading investments	126,312	–
Others	19,123	325
	266,194	1,453,969

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23 FINANCE COSTS

	Group	
	2014	2013
	$	$
Interest expense on finance leases	21,106	42,434
Interest expense on loans	65,660	70,281
	86,766	112,715

24 INCOME TAX

	Group	
	2014	2013
	$	$
Tax credit comprise:		
Overprovision of current tax in prior years	(7,606)	(96,055)
Deferred tax (Note 18)	(10,025)	(10,025)
Income tax credit	(17,631)	(106,080)

Domestic income tax is calculated at 17% (2013 : 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	
	2014	2013
	$	$
Loss before income tax	(2,412,597)	(909,314)
Tax benefits at statutory tax rate of 17% (2013 : 17%)	(410,141)	(154,583)
Effect of expenses (income) that are not deductible (taxable)	201,891	(3,082)
Deferred tax asset not recognised	209,628	159,440
Overprovision of current tax in prior years	(7,606)	(96,055)
Differences in foreign tax rate	(11,403)	(11,800)
	(17,631)	(106,080)

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24 INCOME TAX (cont'd)

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

	Tax losses		Unutilised capital allowances		Total	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
At beginning of year	4,599,590	4,265,270	3,720,407	1,599,576	8,319,997	5,864,846
Adjustments	(450,841)	(32,071)	(1,541,226)	1,612,630	(1,992,067)	1,580,559
Arising during the year	888,051	366,391	348,580	508,201	1,236,631	874,592
At end of year	5,036,800	4,599,590	2,527,761	3,720,407	7,564,561	8,319,997
Deferred tax benefits on above not recorded					1,516,440	1,472,049

The realisation of the future income tax benefits from tax loss carryforwards 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.

25 LOSS FOR THE YEAR

This is determined after charging (crediting) the following:

	Group	
	2014	2013
	$	$
Directors' fees		
- directors of the Company	210,000	187,250
Foreign exchange loss, net	16,040	1,757
Fair value loss on held-for-trading investments	11,262	–
Allowance for doubtful receivables	36,048	7,196
Reversal of allowance for doubtful receivables	(6,131)	(1,293,308)
Allowance (Reversal of allowances) for inventories	29,294	(67,944)
Cost of inventories recognised in cost of sales	2,687,607	2,129,528
Impairment loss on property, plant and equipment	–	67,462
Gain on disposal of property, plant and equipment	(4,779)	(46,072)
Share option expense	–	3,110
Employee benefits expense (including directors' remuneration)	2,448,303	2,310,625
Directors' remuneration		
- directors of the Company	435,609	385,315
- directors of the subsidiaries	464,229	418,106
Impairment loss on goodwill	743	–
Defined contribution plans	206,510	152,631
Audit fees:		
- paid to auditors of the Company	110,500	118,000
- paid to other auditors	3,368	3,294
Total audit fees	113,868	121,294

There are no fees paid by the Group to the external auditors for non-audit services for 2014 and 2013.

Notes to Financial Statements

December 31, 2014

26 LOSS PER SHARE

As at December 31, 2014, the Company has 2,180,000 (2013 : 8,305,000) outstanding share options issued to certain directors and employees and Nil (2013 : 244,454,946) outstanding warrants. The outstanding share options and warrants are anti-dilutive and therefore excluded from the computation below.

The calculations of loss per share are based on the loss for the year and numbers of shares shown below.

	Group	
	2014	2013
	$	$
Loss attributable to equity holders of the Company	(2,392,610)	(803,234)
Weighted average number of shares ('000)	1,533,681	817,644
Loss per share - Basic (cents)	(0.16)	(0.10)

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.

27 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 16 February 2014. The Company will seek shareholders' approval if a new scheme is to be adopted.

Notes to Financial Statements

December 31, 2014

27 SHARE-BASED PAYMENTS (cont'd)

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

	Group and Company			
	2014		2013	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	8,305,000	0.029	11,975,000	0.027
Cancelled during the year	–	–	(2,670,000)	0.026
Exercised during the year	(6,110,000)	0.035	(1,000,000)	0.018
Expired during the year	(15,000)	0.024	–	–
Outstanding at the end of the year	2,180,000	0.041	8,305,000	0.029
Exercisable at the end of the year	2,180,000	0.041	8,305,000	0.029

The weighted average share price at the date of share options exercised during the year was $0.0448 (2013 : $0.0306). The options outstanding at the end of the year have a weighted average remaining contractual life of 7.3 years (2013 : 8.0 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 2014 and 2013.The Group and Company recognise share options expenses of $Nil (2013: $3,110).

Notes to Financial Statements
December 31, 2014

28 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.

GEEPL registered activities 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 $
Current assets	
Other receivables and prepayments	1,000
Current liabilities	
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, 2014

29 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2014	2013
	$	$
Minimum lease payments under operating leases recognised as an expense in the year	274,738	255,875

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	
	2014	2013	2014	2013
	$	$	$	$
Within one year	247,659	68,811	27,600	–
In the second to fifth year inclusive	340,986	132,515	11,500	–
More than five years	544,700	540,752	–	–
Total	1,133,345	742,078	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 (2013 : 1 to 3 years).

The Group as lessor

The Group sub-lets parts of its premises in Singapore under operating leases. Rental income earned during the year was $2,853 (2013 : $16,793).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Within one year	–	2,853	–	–

Notes to Financial Statements

December 31, 2014

30 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.

In 2014, this segment also includes 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) New Property and Hospitality segment in 2014 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, 2014

30 SEGMENT INFORMATION

(a) *Segment revenues and result*

	Advanced materials & solutions		Commodities and mineral resources		Property and hospitality		Corporate		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Total revenue	4,652,030	4,386,199	–	–	–	–	–	–	4,652,030	4,386,199
Segment results	(1,293,155)	(1,109,847)	(6,080)	(9,229)	(2,604)	–	(1,278,181)	(1,131,492)	(2,580,020)	(2,250,568)
Other operating income	125,628	150,815	–	1,214,355	–	–	132,442	88,794	258,070	1,453,964
Other operating expenses	–	–	–	–	–	–	(11,262)	–	(11,262)	–
Interest income	10	5	–	–	–	–	8,114	–	8,124	5
Finance costs	(86,766)	(112,715)	–	–	–	–	–	–	(86,766)	(112,715)
Impairment of goodwill	(743)	–	–	–	–	–	–	–	(743)	–
Income tax	17,631	106,080	–	–	–	–	–	–	17,631	106,080
Loss for the year	(1,237,395)	(965,662)	(6,080)	1,205,126	(2,604)	–	(1,148,887)	(1,042,698)	(2,394,966)	(803,234)

Notes to Financial Statements

December 31, 2014

30 SEGMENT INFORMATION (cont'd)

(b) *Segment assets and liabilities*

	Advanced materials & solutions		Commodities and mineral resources		Property and hospitality		Corporate		Total	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Segment assets	5,191,500	6,877,131	–	1,129,000[1]	450	–	21,247,146	1,993,820	26,439,096	9,999,951
Segment liabilities	2,278,357	2,747,484	4,300	6,000	800	–	482,171	376,343	2,765,628	3,129,827
Capital expenditure	19,316	126,136	–	–	–	–	26,179	–	45,495	126,136
Depreciation of property, plant and equipment	582,652	670,079	–	–	–	–	6,698	–	589,350	670,079
Gain on disposal of property, plant and equipment	(4,779)	(46,072)	–	–	–	–	–	–	(4,779)	(46,072)
Gain on disposal of available-for-sale investment	–	–	–	–	–	–	–	(88,792)	–	(88,792)
Gain on disposal of investments held-for-trading	–	–	–	–	–	–	(126,312)	–	(126,312)	–
Impairment of goodwill	743	–	–	–	–	–	–	–	743	–
Fair value loss on held-for-trading investments	–	–	–	–	–	–	11,262	–	11,262	–
Impairment on property, plant and equipment	–	67,462	–	–	–	–	–	–	–	67,462

(1) The segment assets of Commodities and Mineral Resources segment relates to advances receivable from a third party for the exploration of certain business opportunities. This amount was recovered from the third party in 2014.

Notes to Financial Statements

December 31, 2014

30 SEGMENT INFORMATION (cont'd)

	Group	
	2014	2013
	$	$
Sales revenue based on location of customer		
South Korea	639,373	863,254
Republic of China	210,792	81,914
Pakistan	66,156	–
Malaysia	686,586	445,514
Indonesia	698,831	420,151
Thailand	51,490	17,796
Singapore	1,981,614	1,959,527
Germany	140,938	130,515
Liechtenstein	76,039	215,092
United States of America	49,293	148,423
Others	50,918	104,013
	4,652,030	4,386,199
Non-current assets based on location		
Malaysia	1,223	4,242
Singapore	3,547,946	4,401,562
	3,549,169	4,405,804

Information about major customers

In 2014, $1,074,978 (2013: $727,767) of revenue is generated from two customers (2013: one customer) from the Advanced materials and solutions segment, which accounts for 23.1% (2013: 16.6%) of total Group's revenue.

Shareholding Statistics

As at 20 March 2015

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 (1) vote for each member
	On a poll	: One (1) vote for each ordinary share

Shareholding Held in Hands of Public

Based on information available to the Company as at 20 March 2015, 28.54% 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 20 MARCH 2015

Size Of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	3	0.23	71	N/M[(1)]
100 - 1,000	54	4.13	34,487	N/M[(1)]
1,001 - 10,000	167	12.78	1,023,100	0.05
10,001 - 1,000,000	1,015	77.66	181,276,129	9.29
1,000,001 AND ABOVE	68	5.20	1,768,285,544	90.66
TOTAL	**1,307**	**100.00**	**1,950,619,331**	**100.00**

(1) Not meaningful.

Shareholding Statistics

As at 20 March 2015

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	United Overseas Bank Nominees Pte Ltd	926,715,603	47.51
2	Raffles Nominees (Pte) Ltd	368,017,939	18.87
3	Lim Keng Hock Jonathan	148,860,806	7.63
4	Chin Bay Ching	82,942,256	4.25
5	OCBC Securities Private Ltd	31,111,500	1.59
6	Koh Kah Beng (Xu Jiaming)	29,345,700	1.50
7	DBS Nominees Pte Ltd	23,758,000	1.22
8	Ong Yueh Ngoh (Huang Yue'e)	7,300,000	0.37
9	Chua Koon Beng	7,000,000	0.36
10	Choi Boon Wai	6,410,300	0.33
11	Shen Chee Tong Steven	6,400,000	0.33
12	Wong Poh Hwa @ Kwai Seng	5,900,000	0.30
13	Wong Fong Hong Vincent	5,295,000	0.27
14	OCBC Nominees Singapore Pte Ltd	5,210,000	0.27
15	Maybank Kim Eng Securities Pte Ltd	4,350,000	0.22
16	Tan Leong Hoon	4,350,000	0.22
17	Philip Securities Pte Ltd	4,081,000	0.21
18	Lee Koon Hoo	4,000,000	0.21
19	Ang Ban Liong	3,995,000	0.20
20	Goh Guan Siong (Wu Yuanxiang)	3,872,000	0.20
	TOTAL	**1,678,915,104**	**86.06**

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	–	–	236,365,772[2]	12.12
Lim Keng Hock Jonathan	159,860,806[3]	8.20	–	–

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 236,365,772 shares is held in the name of Raffles Nominees (Pte) Ltd.

(3) Includes 11,000,000 shares registered under a joint account in the name of Mr Lim Keng Hock Jonathan with his wife, Madam Ting Hong Lean Marilyn.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at NUSS Kent Ridge Guild House, 9 Kent Ridge Drive, Singapore 119241 on Thursday, 30 April 2015 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the audited accounts for the financial year ended 31 December 2014 and the reports of the Directors and Auditors thereon. **[Resolution 1]**

2. To re-elect Ms Kum Ping Wei, who is retiring pursuant to Article 95 of the Articles of Association of the Company. **[Resolution 2]**

   Ms Kum Ping Wei, upon re-election as Director of the Company, shall remain as the Executive Director of the Company.
   (See Explanatory Note 1)

3. To re-elect Mr Chin Bay Ching, who is retiring pursuant to Article 96 of the Articles of Association of the Company. **[Resolution 3]**

   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.
   (See Explanatory Note 1)

4. To re-elect Mr Loh Eu Tse Derek, who is retiring pursuant to Article 96 of the Articles of Association of the Company. **[Resolution 4]**

   Mr Loh Eu Tse Derek, upon re-election as Director of the Company, shall remain as the Chairman of the Nominating Committee and the members of the Audit and Remuneration Committees 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)

5. To re-elect Ms Tan Soh Hoong, who is retiring pursuant to Article 96 of the Articles of Association of the Company. **[Resolution 5]**

   Ms Tan Soh Hoong, upon re-election as Director of the Company, shall remain as the Chairman of the Remuneration Committee and the members of the Audit and Nominating Committees and shall be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
   (See Explanatory Note 1)

6. To re-appoint Mr Gersom G Vetuz whom will retire and seek re-appointment under Section 153(6) of the Companies Act, Cap 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **[Resolution 6]**

   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 Committees and shall be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
   (See Explanatory Note 1)

7. To approve Directors' fees of S$210,000 for the year ended 31 December 2014 (S$195,712 for the year ended 31 December 2013). **[Resolution 7]**

8. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 8]**

9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Notice of Annual General Meeting

SPECIAL BUSINESS

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

10. 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);

(ii) (subject to such manner of calculation as may be prescribed by the Rules of Catalist), 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. **[Resolution 9]**
(See Explanatory Note 2)

By Order of the Board

Lee Bee Fong
Company Secretary
Singapore
15 April 2015

Notice of Annual General Meeting

Notes:

(a) A Member entitled to attend and vote at the Annual General Meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. Where a Member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a Member of the Company.

(b) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(c) The instrument appointing a proxy must be deposited at the registered office of the Company, 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for holding the Annual General Meeting.

EXPLANATORY NOTES:

1. In relation to **Resolutions 2 to 6** proposed in items 2 to 6 above, there are no relationships (including immediate family relationships) between Ms Kum Ping Wei, Mr Chin Bay Ching, Mr Loh Eu Tse Derek, Ms Tan Soh Hoong and Mr Gersom G Vetuz (collectively, the "Directors') and with the other Directors, the Company or its 10% shareholders respectively and the detailed information on the Directors are set out on pages 4, 5 and 13 of the Company's 2014 Annual Report.

2. **Resolution 9,** 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 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.

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

IMPORTANT
1. For investors who have used their CPF monies to buy the Company's shares, this **Annual Report and Notice of Annual General Meeting** are forwarded to them at the request of their CPF approved nominees and is sent solely FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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 (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/them, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at NUSS Kent Ridge Guild House, 9 Kent Ridge Drive, Singapore 119241 on Thursday, 30 April 2015 at 10.00 a.m., and at any adjournment thereof.

Note: Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the **Notice of Annual General Meeting**. In the absence of specific directions or in the event of any item arising not summarised below, the proxy/proxies may vote or abstain as he/they may think fit.

No.	Resolutions Relating To:	For	Against
	ORDINARY BUSINESS		
1	Adoption of Directors' Report and Accounts		
2	Re-election of Ms Kum Ping Wei		
3	Re-election of Mr Chin Bay Ching		
4	Re-election of Mr Loh Eu Tse Derek		
5	Re-election of Ms Tan Soh Hoong		
6	Re-appointment of Mr Gersom G Vetuz		
7	Approval of Directors' Fees		
8	Re-appointment of Auditors		
	SPECIAL BUSINESS		
9	Authority to Directors to allot and issue new shares		

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 ________________ 2015

Register	Number of Shares Held
CDP Register	
Register of Members	

____

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT NOTES TO PROXY FORM :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for the meeting.

4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. A Depositor's name must appear on the Depository Register maintained by CDP at least 48 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the meeting.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), you accept and agree with the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2015.

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
52 Telok Blangah Road
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