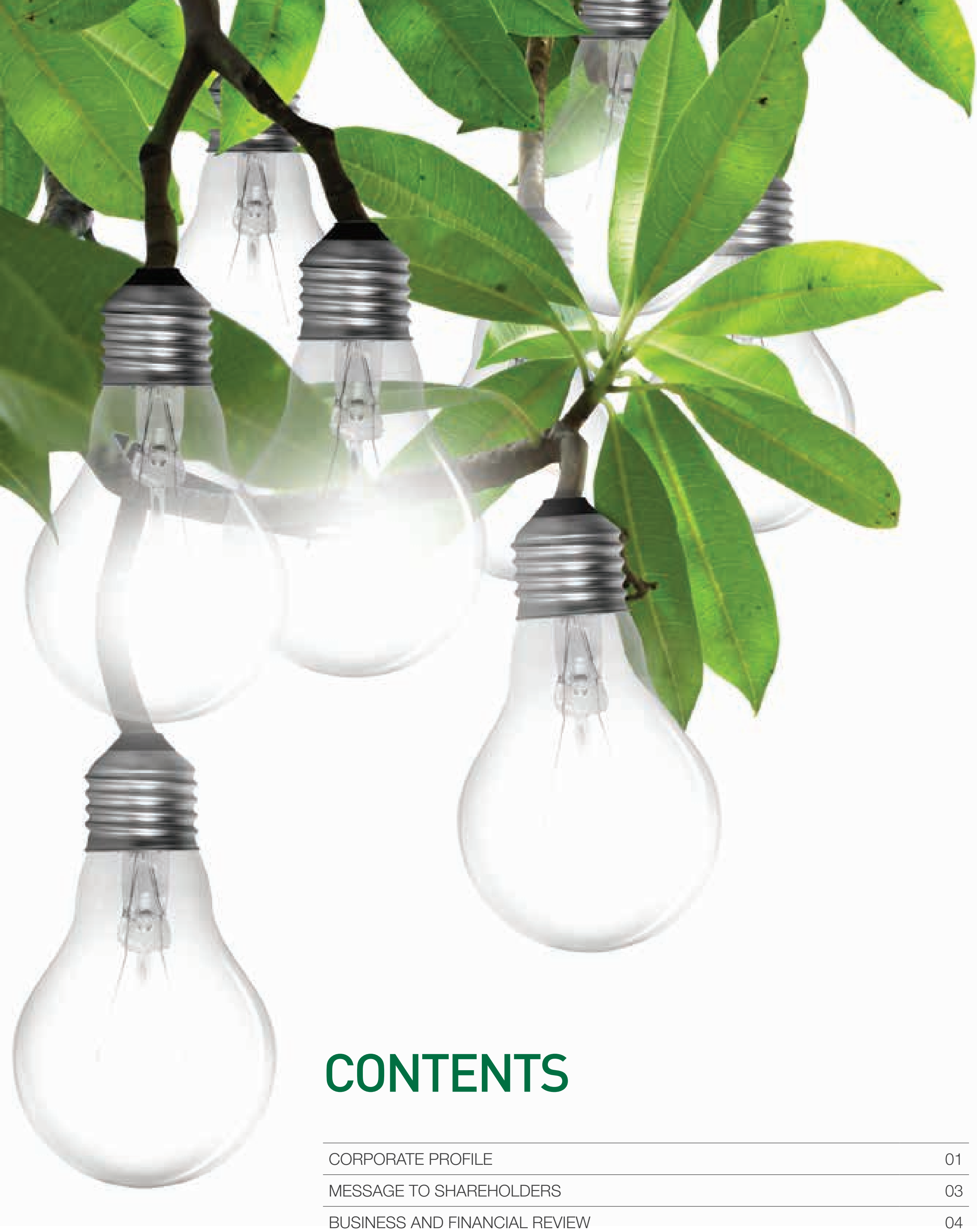
BUILDING TOWARDS A LOW CARBON ECONOMY

星嘉源
SINJIA LAND limited

ANNUAL REPORT 2014



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CORPORATE PROFILE

SINJIA LAND LIMITED (formerly known as HLN Technologies Limited) ("SINJIA") was incorporated in Singapore on 26 February 2004. It was listed on the SGX-ST CATALIST (formerly "SESDAQ") on 25 November 2005 and subsequently upgraded to the SGX-ST Main Board on 22 January 2008.

The principal historical activities of our Group involve the manufacture and sale of a wide range of customised precision elastomeric, polymeric and metallic components which are used in a variety of industries principally in office automation, lifestyle products, industrial application, consumer electronics and automotive industries.

The Group supports its customers in the region through operating subsidiaries located close to its customers in Singapore, Indonesia in Batam, Malaysia in Johor and the People's Republic of China or PRC, in Suzhou.

In November 2011, the entire interest of the Group's metallic business was divested and hence the Group is no longer involved in the metal business.

On 1 July 2013, the Group entered into a collaboration agreement with a third party relating to the polymeric business in Singapore.

On 19 September 2013, the Group disposed of its polymeric subsidiary in PRC.

On 10 March 2014, a Joint Venture Company was incorporated to undertake the Business of procuring, assembling and installing fuel cell systems in commercial and other buildings for the generation of electricity and production of synthetic diesel in Singapore.

SINJIA has and will continue to explore new business opportunities and further develop existing businesses to enhance the profitability of the Group.

MISSION

We aim to be a **LONG-TERM** partner to our customers. We strive to deliver QUALITY products at **COMPETITIVE** pricing, ensure **ON-TIME** delivery and **RESPONSIVE** service through continuous investment in technology and active involvement in customers' product development.

VISION

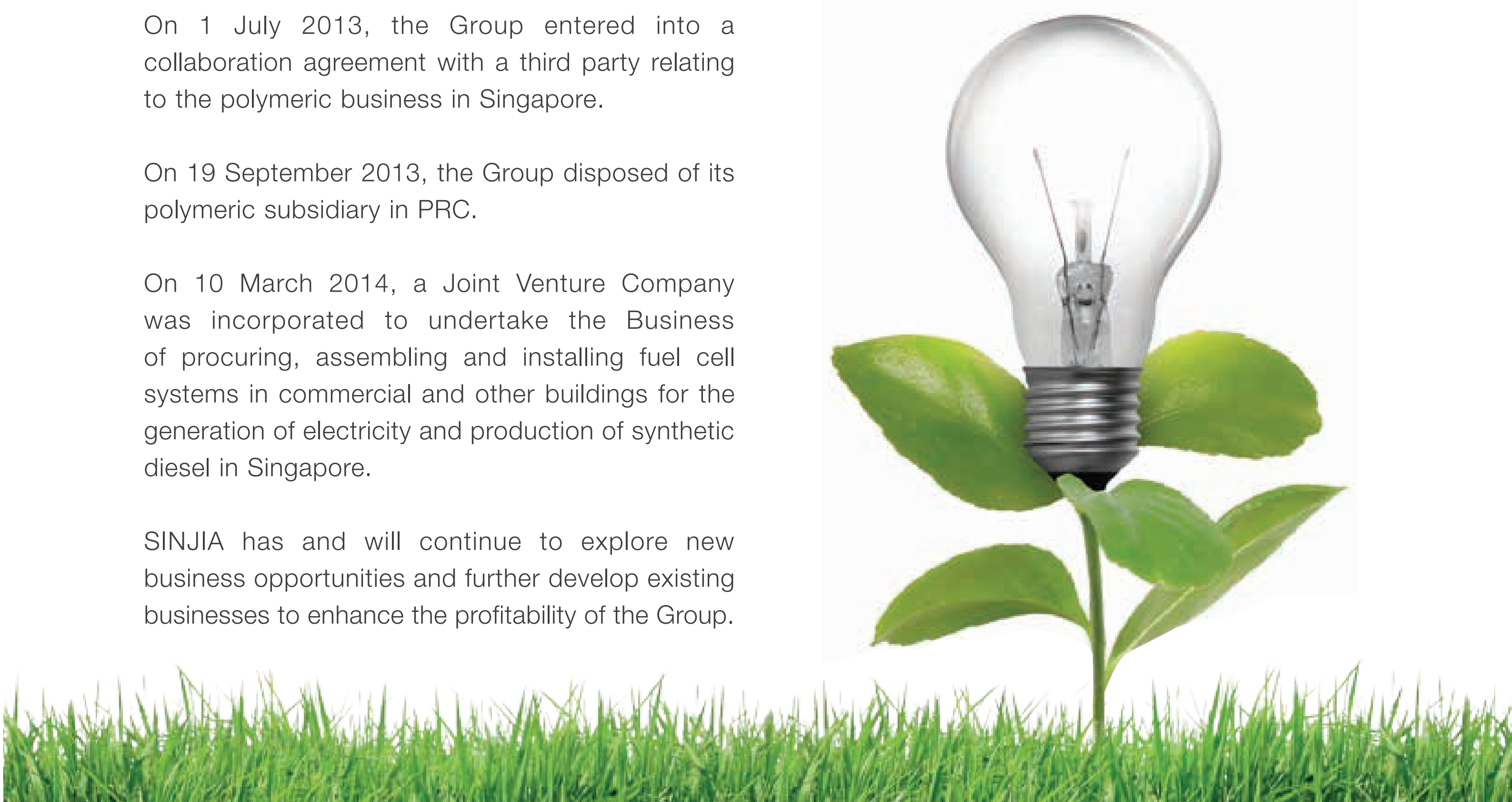
Our vision is to be a preferred **GLOBAL** One-Stop Solutions Provider for Integrated Mechanical Components.

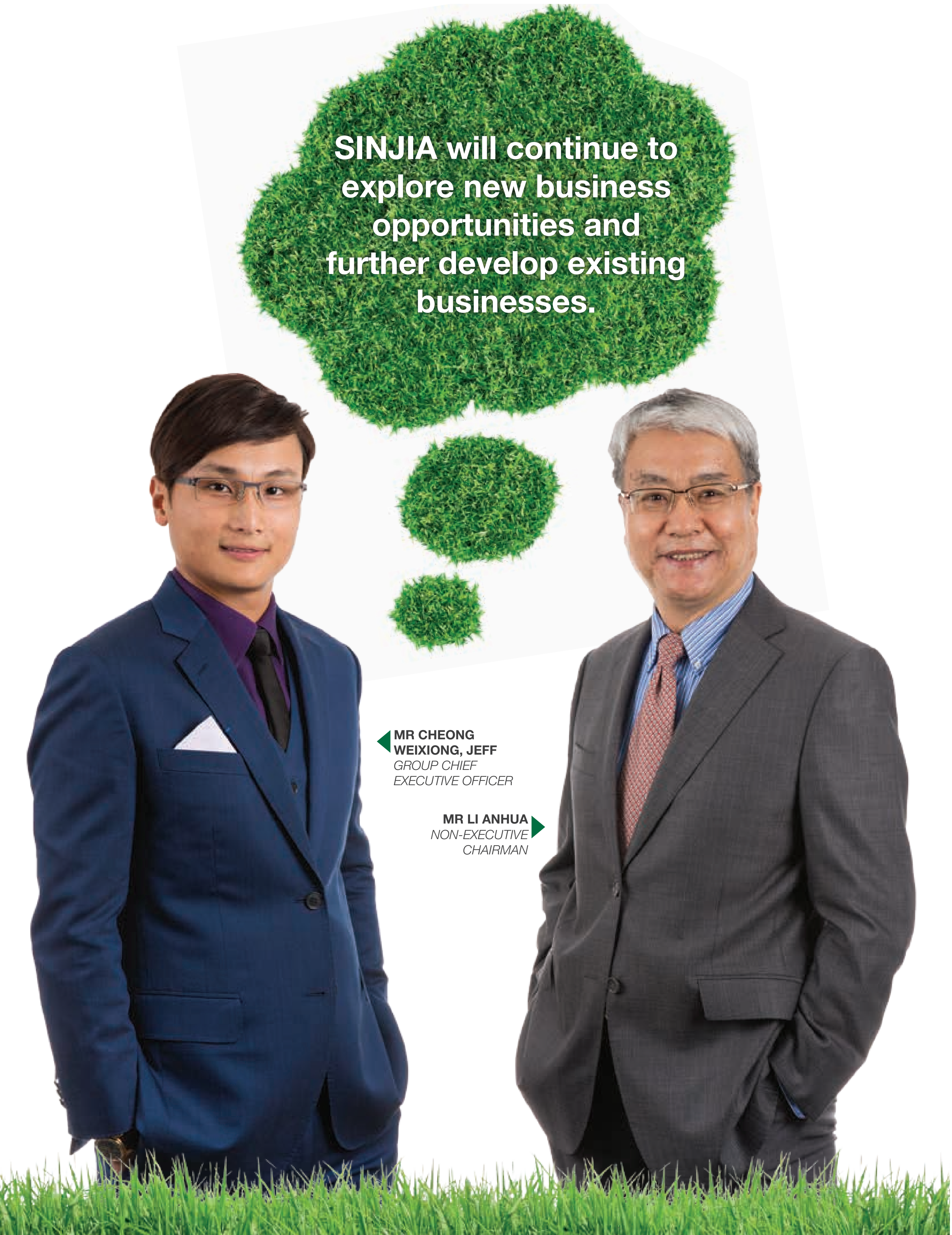
CORE VALUES

We aim to be a **SOCIALLY-RESPONSIBLE CORPORATION** by **REDUCING, RECYCLING** and **RE-USING** relevant resources to minimise our impact on the environment.

We aim to be a **PEOPLE DEVELOPER** by inculcating a sense of affiliation and belonging amongst the management and workers.

We value **PEOPLE AS ASSETS** and provide opportunities for continual learning and personal upgrading.





MR CHEONG WEIXIONG, JEFF
GROUP CHIEF EXECUTIVE OFFICER

MR LI ANHUA
NON-EXECUTIVE CHAIRMAN

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

In 2014, the Group continued to lay the foundation for sustaining long-term growth and enhancing shareholder value. Our manufacturing business underwent a major re-think and restructuring. All work processes were reviewed and revamped to increase operational efficiency and the sales department was restructured while new incentives for increasing sales volume and productivity were introduced.

We made progress in the implementation of our strategy to have recurring income from our manufacturing business as well as income from project-based businesses such our clean energy, power plant and property development. I am glad to report that as at the 4th quarter of 2014, there were indications that our efforts had begun to bear fruit.

However, during the year in review, the Group's revenue declined by 10.3% to $15.5 million, attributable to the challenging business environment for our manufacturing business, together with the restructuring of our business and the deployment of resources for other projects. Gross profit declined by $1.4 million or 21.3% to $5.0 million in FY2014, while the profit margin for FY2014 was 32.0% compared to 36.4% for FY2013.

Fuel Cell Clean Electricity project

In February 2014, we entered into an agreement with Real Time Engineering Pte. Ltd. to incorporate a joint venture company, Sinjia RTE Solutions Pte Ltd, ("SRS") for the business of procuring, assembling and installing fuel cell systems in commercial and other buildings for the generation of electricity and production of synthetic gas and crude oil in Singapore.

Following the announcement, SRS signed, in May 2014, a 10-year plus 10-year agreement with Singapore industrial property developer, JTC Corporation ("JTC"), for the installation and operation of a fuel cell clean electricity power plant at JTC's CleanTech One building. The project is progressing well and most of the equipment have been installed. The plant is expected to be operational in 2015.

Power plant project in Myanmar

In August 2014, we signed a 10-year lease agreement to supply Singapore-based Tembusu Industries Private Limited ("Tembusu") a complete set of power generation equipment with a production capacity of six (6) megawatts to provide the town of Myeik, Myanmar with one-third of its electricity requirements. As at 31 December 2014, most of the equipment had been delivered and installed.

On 17 February 2015, the Company announced on SGX-ST that it had sold the completed power generation plant to Tembusu for a cash consideration of US$2.2 million to be paid by a deposit of US$0.4 million and a final payment of US$1.8 million. The sale is expected to be completed on or about 17 April 2015.

Batu Pahat, Malaysia property development

Our investment in a mixed property development in Batu Pahat, Malaysia was launched for pre-sales on 26 December 2013. The response for the 246 units put up for sale has been good and as at 31 December 2014, 77 units have been booked. As we are both the sales agent and property developer, we will be booking the commission and our share of the profits from sales. We have booked the commission in FY2014 and the profits from sales will be available when the project receives its TOP in 2017.

Manufacturing

The remaining polymeric operations in PRC were disposed of. We are now focusing on the greater potential of producing elastomeric materials for consumer technology and wearable devices such as activity trackers.

The operations have been streamlined and we are well on track to increase the utilisation rates of our plants in Batam, Suzhou and Johor Bahru. We have reviewed the work processes to increase output per hour as well as decrease the defect rate. New machines with a greater degree of automation have been installed. On the sales side, we now have better procedures and incentives for the sales team.

The Year Ahead

In 2015, as the various projects we have outlined take hold, we expect the Group to have both recurring revenue stream from manufacturing as well as project-based income from clean energy, power plants, and property development.

FY2015 will be a challenging year due from the world macro-economic perspective as well as Singapore's business environment. In this situation, we shall focus on our core manufacturing business while exploring other opportunities related to clean energy and power plants. We are now more competitive in our manufacturing and the recent use of elastomeric materials in high-tech consumer life-style products such as smart watches and health-monitoring devices bodes well for our elastomeric components manufacturing capabilities.

Acknowledgements

We would like to express appreciation to our fellow directors on the Board for their guidance and invaluable contributions. To the management and staff, we would like to express our gratitude for the diligence and dedication to their work, to our shareholders, business partners and customers – thank you for the continued support and trust in us.

Li Anhua
Non-Executive Chairman

Cheong Weixiong, Jeff
Group Chief Executive Officer

BUSINESS AND FINANCIAL REVIEW

BUSINESS REVIEW

The Group is primarily involved in the manufacturing and sale of a wide range of precision elastomeric components used in the manufacture of office automation equipment, lifestyle products, consumer electronics, automotive equipment and other industrial applications. Our elastomeric production capabilities range from material formulation, to compounding, moulding and other secondary processes customised to the specific requirements of customers. The Group's production facilities are located in Batam, Indonesia, Johor Bahru, Malaysia and Suzhou, People's Republic of China ("PRC"), with the sales office in Singapore. Our customers include multi-national corporations in Asia, Europe, and America and include household brand-names such as Dyson, Philips, Tyco and Shimano.

The Group received RMB35 million of the final outstanding amount of RMB64.03 million, in relation to the intended disposal of its subsidiary, Greatly Holdings Investment Limited ("Greatly Holdings"). Greatly Holdings has a 30% interest in an associate – Tianjin Swan Lake Real Estate Development Co., Limited ("TJSL"). Given the uncertain political and economic conditions in China, we believe the delay is due to events and circumstances beyond our control, and the Group remains uncertain about when the remaining amount can be collected.

Due to unforeseen circumstances and no further payments received during the financial year, we are of the view that the disposal should be reversed and classified as available-for-sale financial assets.

The mixed development project located in Batu Pahat, Malaysia, launched on 26 December 2013, is currently under construction, and is expected to contribute to the Group from FY2015.

On 17 February 2015, the Group announced that it has the intention to dispose its power generation system equipment in Myanmar to Tembusu for a cash consideration of US$2.2 million. The Company has collected the initial deposit of US$400,000 for the purchase. The proposed disposal is expected to be completed by 17 April 2015. We will update shareholders accordingly, as and when appropriate.

FINANCIAL REVIEW

The Group recorded a decline of 10.3% in revenue to S$15.5 million for the financial year ended 31 December 2014 ("FY2014"), from S$17.3 million in FY2013. The elastomeric business unit continued to record increase in revenue in FY2014 on the back of higher demand from its key customers in the PRC and Malaysia, but this was partially offset by the change in classification of revenue contribution from the polymeric subsidiary in Singapore to fixed operating lease income since the second half of FY2013.

In line with the lower revenue and higher cost of sales, gross profit declined by 21.3% to S$5.0 million in FY2014 from S$6.3 million in FY2013. Overall gross profit margin slid from 36.4% in FY2013 to 32.0% in FY2014.

Overall operating expenses increased by 53.5% from S$8.0 million in FY2013 to S$12.2 million in FY2014, due mainly to the fair value adjustment on available-for-sale financial assets of $4.7 million that was recorded as other charges.

Consequently, the net loss attributable to equity holders widened from S$1.9 million in FY2013 to S$6.4 million in FY2014.

FINANCIAL POSITION

The Group's total assets as at 31 December 2014 increased marginally by S$0.4 million to S$41.3 million over the previous year. This was due to an increase in available-for-sale financial assets of S$7.5 million which included the Tianjin Swan Lake investment, and assets under construction which included the clean energy and Myanmar power projects amounting to S$6.0 million, as well as higher inventories and trade and other receivables. These were partially offset by a decrease in cash and cash equivalents of S$2.8 million and a marginal decrease in plant and equipment of $0.2 million during the financial year.

Total liabilities as at 31 December 2014 for the Group, increased by S$9.3 million to S$19.8 million on the back of higher trade and other payables and higher borrowings. The Group's shareholders' equity decreased by S$8.5 million to S$22.0 million as at 31 December 2014, due to a reduction in retained earnings and the purchase of treasury shares.

Based on the share capital of 140.7 million shares, the Group's net asset value per share decreased from 20.27 cents as at 31 December 2013 to 15.65 cents as at 31 December 2014.

GROUP STRUCTURE

SINJIA LAND limited
(FKA HLN TECHNOLOGIES LIMITED)

- 100% HLN MICRON PTE LTD (DORMANT)
  - 100% HLN TECHNOLOGIES SDN BHD (DORMANT)
- 100% HLN RUBBER PRODUCTS PTE LTD
  - 100% HLN (SUZHOU) RUBBER PRODUCTS CO., LTD.
  - 100% PT HLN BATAM
  - 100% HLN RUBBER INDUSTRIES SDN BHD
- 100% SINJIA PROPERTIES PTE LTD (FKA PROCESS INNOVATION TECHNOLOGY PTE LTD)
- 50.54% GREATLY HOLDINGS INVESTMENT LIMITED
  - 30% TIANJIN SWAN LAKE REAL ESTATE DEVELOPMENT CO., LTD. (15.16%)
- 30% ACE EMPIRE CAPITAL SDN BHD
- 100% PARADISE PALMS RESORT PROPERTIES LIMITED
- 100% SINJIA LAND SDN BHD (INCORPORATED ON 7 JANUARY 2014)
- 51% SINJIA RTE SOLUTIONS PTE LTD (INCORPORATED ON 10 MARCH 2014)

LEGEND

- Strategic Business Unit
- Supporting SBU
- Micro S-SBU

BOARD OF DIRECTORS

Left to right:
MR LI ANHUA
MR CHEONG WEIXIONG, JEFF
MR TANG CHI LOONG
MR LEE JIM TECK, EDWARD

MR LI ANHUA

Mr Li Anhua was appointed as an Independent Director of our Company on 13 August 2009 (and became our Non-Executive Chairman on 9 September 2009. He was last re-elected on 30 April 2012.

Mr Li has accumulated approximately 30 years of experience in the senior administration of financial institutions and was the Vice-Chairman of the Board of Directors of Hainan Dadonghai Co., which is listed on the Shenzhen Exchange. Mr Li holds a Bachelor's degree in Finance from the Jilin Finance and Trade School.

MR CHEONG WEIXIONG, JEFF

Mr Cheong Weixiong, Jeff was appointed as an Executive Director and Group Chief Executive Officer of our Company on 4 August 2009 and was last re-elected on 29 April 2013. As our Group CEO, Mr Cheong is responsible for the overall management of the Group as well as overseeing the Group's Corporate Strategy and Human Resources functions.

Mr Cheong has more than 6 years of experience in the investment advisory industry. His growing reputation in the investment advisory industry led him to join Kim Eng Securities Pte Ltd as Senior Vice President in 2007. He handled professional securities brokerage and provided investment advisory services to institutions, corporations and high net worth investors.

MR TANG CHI LOONG

Mr Tang Chi Loong was appointed as an Independent and Non-Executive Director of our Company on 14 September 2006 and was last re-elected on 29 April 2013.

Mr Tang is currently a partner with Hin Tat Augustine and Partners, a Singapore law firm. He started his legal career at Choo & Soh in 1995 and was promoted to partner in 1998. In 2003, Choo & Soh merged with Hin Tat & Partners to form Hin Tat Augustine and Partners.

He also sits on the board of Novo Group Limited. Mr Tang holds a Bachelor of Law (Honours) degree from the National University of Singapore.

MR LEE JIM TECK, EDWARD

Mr Lee Jim Teck, Edward is an Independent and Non-Executive Director of our Company since 27 July 2011.

Mr Lee has served as the Chief Financial Officer and Financial Controller for a number of US Fortune 500 companies. He has over 35 years of experience in finance, accounting, auditing, human resource and information technology.

He is a member of the Institute of Singapore Chartered Accountants, ISCA and the Singapore Institute of Directors, SID. Edward holds a Bachelor of Accountancy degree from the National University of Singapore.

He also volunteers his services in a number of not-for-profit organizations and charities.

KEY MANAGEMENT STAFF

MR NG KHOON SENG

Mr Ng Khoon Seng had been an Executive Director of the Company since its incorporation on 26 February 2004. He was also the Group's Executive Chairman and Group Chief Operating Officer until 4 August 2009 when he was re-designated as our Group's Acting Chief Operating Officer.

Mr Ng has more than 30 years of experience in the stamping and die-cutting industry, making significant progress in his career beginning as a technician and senior supervisor in the 1980s and founded his own business in 1989. He is a Non-Executive Director of Pro-stamping Industrial, a company engaged in providing Drilling and Stamping of printed circuit boards, which he founded in 1989 together with his family members. Mr Ng holds a Diploma in Business Efficiency and Productivity (Production Management) from the NPB Institute for Productivity Training.

On 28 April 2014, Mr Ng stepped down as Executive Director and Group's Acting Chief Operating Officer and was re-appointed as the Group Managing Director of the Elastomeric Group effective on 29 April 2014. He is responsible for the strategic direction and day-to-day management of the Elastomeric Group. He remained as a director of the subsidiaries, namely HLN Rubber Products Pte Ltd ("HRP"), HLN Micron Pte Ltd ("HLM"), Sinjia Properties Pte Ltd ("SP"), HLN Rubber Industries Sdn Bhd ("HRI"), HLN (Suzhou) Rubber Products Co., Ltd ("HSR") and PT HLN Batam ("PTH").

MS CHAN SAW YEE, JOYCE

Ms Chan Saw Yee, Joyce is the Group Financial Controller. She joined the Group on 1 November 2006 as Assistant Finance Manager for our Metallic SBU and was promoted to Assistant Group Accountant on 1 January 2009. She was later promoted to Group Accountant on 1 January 2010 and promoted to Group Financial Controller on 1 January 2015. Ms Chan is responsible for overall financial and management reporting of Sinjia Land Limited and its subsidiaries. She also oversees the internal and external audit of the whole Group. Prior to joining our Group, she had worked with a manufacturing company as Senior Accounts Executive, overseeing the accounts of its China subsidiary. Ms Chan holds a Bachelor of Arts with 2nd Class Honors in Accounting and Finance from Oxford Brookes University (in association with Nilai College, Malaysia).

MR TAN CHYE THIAM, KELVIN

Mr Tan Chye Thiam, Kelvin is the General Manager of Elastomeric Group in Suzhou, PRC. He is responsible for the operational management for HSR. Mr Tan joined the Group on 12 February 2007 as a Deputy General Manager and was promoted to General Manager on 1 September 2007. Mr Tan has more than 15 years of experience in Plant Management for the rubber industry. Prior to joining our Group, Mr Tan was Assistant Plant Manager of Hi-Tech Polymer Limited from 2000 to 2007 and worked as Production Manager for various companies between 1991 and 2000. Mr Tan holds a Diploma in Chemical Process Technology from Singapore Polytechnic.

MR NARAYANASAMY SENTHIL KUMAR

Mr Narayanasamy Senthil Kumar is the General Manager of Elastomeric Group in Batam, Indonesia. He is responsible for general and operational management of PTH. Mr Kumar joined the Group on 1 December 1997 as a Compounding and Molding Operator and was promoted to Production Supervisor in 1999 and Quality Assurance Manager in 2001. Due to his in-depth knowledge in rubber chemistry and his leadership skills, he was later promoted to Deputy General Manager on 12 August 2004 and promoted to General Manager on 1 January 2014.

MR SIM GIM HWEE, MELVIN

Mr Sim Gim Hwee, Melvin is the General Manager of Elastomeric Group in Johor Bahru, Malaysia. He is responsible for general and operational management of HRI. Mr Sim joined HRP on 8 May 2011. Prior to joining the Group, he was the Product Manager of Polytech Component Pte Ltd in Singapore office where he specialised in various aspects of keypad related productions and was responsible for the key accounts of various overseas customers in Europe, UK and USA. He has 18 years of experience in keypad industry. He holds a Diploma in Manufacturing from Singapore Polytechnic.

MR NGAU DUO KIANG, JIMMY

Mr Ngau Duo Kiang, Jimmy is the Deputy General Manager (Sales) of our Elastomeric Group. He joined the Group on 24 February 2014. Mr Ngau is responsible for the regional sales development of the Elastomeric Group. Prior to joining the Group, he was Regional Sales Manager of a UK company where he specialized in sales development activities that covered South East Asia and PRC. He has 15 years of experience in business development and program management. He holds a Degree in Social Science from University Science of Malaysia.

CORPORATE INFORMATION

BOARD OF DIRECTORS

LI ANHUA
Non-Executive Chairman and Independent Director

CHEONG WEIXIONG, JEFF
Group Chief Executive Officer and Executive Director

TANG CHI LOONG
Non-Executive and Independent Director

LEE JIM TECK, EDWARD
Non-Executive and Independent Director

NOMINATING COMMITTEE

LI ANHUA
Chairman

TANG CHI LOONG
Member

LEE JIM TECK, EDWARD
Member

REMUNERATION COMMITTEE

TANG CHI LOONG
Chairman

LI ANHUA
Member

LEE JIM TECK, EDWARD
Member

AUDIT COMMITTEE

LI ANHUA
Chairman

TANG CHI LOONG
Member

LEE JIM TECK, EDWARD
Member

COMPANY SECRETARY

SEAH KIM SWEE

REGISTERED OFFICE

229 Mountbatten Road
#03-31/32 Mountbatten Square
Singapore 398007

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

NEXIA TS PUBLIC ACCOUNTING CORPORATION
100 Beach Road
#30-00 Shaw Tower
Singapore 189702

Director-In-Charge: Low See Lien
(Effective From Year Ended 31 December 2013)

CORPORATE ADDRESSES

SINJIA LAND LIMITED

229 Mountbatten Road
#03-31/32 Mountbatten Square
Singapore 398007
Telephone : (65) 6224 7320
Facsimile : (65) 6224 7231

ELASTOMERIC BUSINESS UNIT

HLN RUBBER PRODUCTS PTE LTD
Block 16 Kallang Place, #01-16/18
Kallang Basin Industrial Estate,
Singapore 339156
Telephone : (65) 6746 1366
Facsimile : (65) 6295 6080

HLN RUBBER INDUSTRIES SDN BHD
No. 19A Jalan Padu,
Tampoi Industrial Estate,
80350 Johor Bahru,
Johor, Malaysia.
Telephone : (60) 7 238 6743
Facsimile : (60) 7 238 6784

HLN (SUZHOU) RUBBER PRODUCTS CO., LTD.
No. 28 Zhensheng Road,
Suzhou Industrial Park, Suzhou 215126,
People's Republic of China
Telephone : (86) 512 6762 1526/1528
Facsimile : (86) 512 6762 1527

PT HLN BATAM
Lot 279, Jalan Angsana,
Batamindo Industrial Park,
Muka Kuning, Batam Island 29433,
Indonesia
Telephone : (62) 770 612 008
Facsimile : (62) 770 612 886

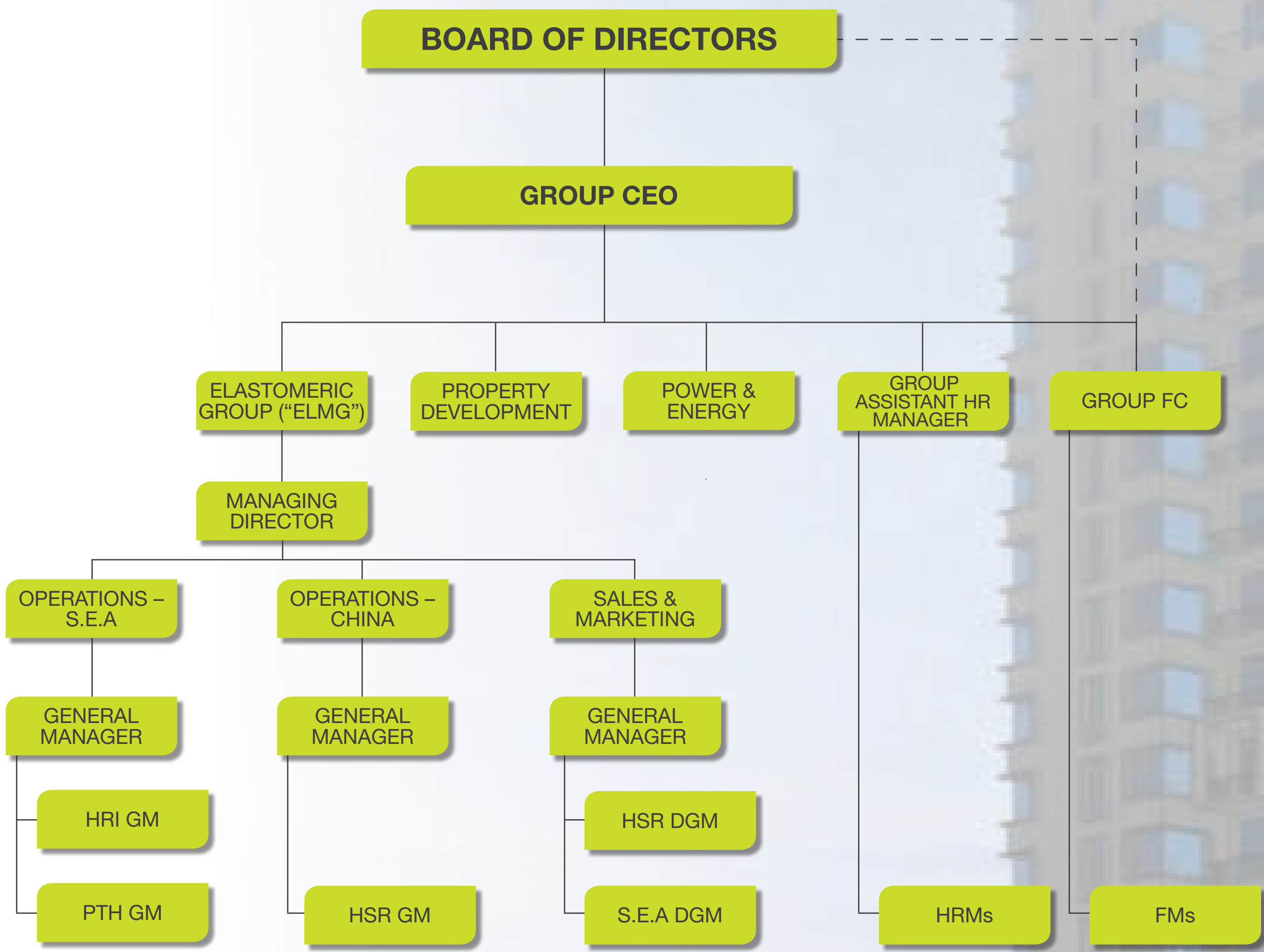
PROPERTY BUSINESS UNIT

SINJIA PROPERTIES PTE LTD
(F.K.A Process Innovation Technology Pte Ltd)
229 Mountbatten Road
#03-31/32 Mountbatten Square
Singapore 398007
Telephone : (65) 6224 7320
Facsimile : (65) 6224 7231

POWER & ENERGY UNIT

SINJIA RTE SOLUTIONS PTE LTD
12 Lorong Bakar Batu #05-11
Singapore 348745
Telephone : (65) 6841 1656
Facsimile : (65) 6741 0885

ORGANISATIONAL CHART



ABBREVIATION IN THE ORGANISATION CHART

Companies:

ELMG	-	Elastomeric Group
HRI	-	HLN Rubber Industries Sdn Bhd
HRP	-	HLN Rubber Products Pte Ltd
HSR	-	HLN (Suzhou) Rubber Products Co., Ltd
PTH	-	PT HLN Batam

Positions:

Group CEO	-	Group Chief Executive Officer
Group FC	-	Group Financial Controller
GM	-	General Manager
DGM	-	Deputy General Manager
HRMs	-	Human Resources Managers
FMs	-	Finance Managers

Artist impression of
Sky Garden in Batu Pahat, Malaysia.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors and Management are committed to ensuring high standards of corporate governance for the protection of shareholders' interests and value and to promote investors' confidence. The following report describes the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance 2012 ("the Code 2012"). Deviation from the Code 2012, if any, is explained.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: An effective Board to lead and control the Company

As at the date of this report, the Board comprises one executive director, three non-executive and independent directors. Together, these directors bring a wide range of business, legal and financial experience relevant to the Group.

Li Anhua	Non-Executive Chairman and Independent Director
Cheong Weixiong, Jeff	Chief Executive Officer and Executive Director
Tang Chi Loong	Non-Executive and Independent Director
Lee Jim Teck, Edward	Non-Executive and Independent Director

The Board provides leadership to the Group through setting overall strategic aims, establishing framework of controls, reviewing management performance and approving important decisions affecting the Group.

The Board meets at least every quarter and as warranted by particular circumstances. Matters requiring the Board's approval include:

a) Approving corporate objectives, plans, strategies, policies and financial objectives of the Group and monitoring the performance of Management;

b) Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

c) Approving nominations and appointments of Board directors, committee members and key executives; and

d) Approving annual budgets, investments, capital expenditures, major acquisitions and divestments proposals.

e) Identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;

f) Consider sustainability issues like environmental and social factors as part of its strategic planning.

The Company has adopted internal guidelines on matters such as annual budgets and transactions relating to investment, financing, treasury, legal and corporate secretarial and the parameters of such matters which require the Board's approval. The Board will review the guidelines on a periodic basis to ensure their relevance to the operations of the Company.

The Board also constituted various Board Committees such as the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") to allow in-depth review and discussion before the Board makes a decision. These committees function within clearly defined terms of reference and they meet regularly to review relevant matters which are then referred to the Board for approval. The attendance of the directors at meetings of the Board and the Board Committees for FY2014 is as follows:

CORPORATE GOVERNANCE REPORT

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS
(for the financial year ended 31 December 2014)

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No. of meetings	**4**	**4**	**2**	**1**
Li Anhua (Non-Executive Chairman and Independent Director)	4	4	2	1
Cheong Weixiong, Jeff (Group CEO/Executive Director)	4	NA	NA	NA
Ng Khoon Seng (Group Deputy COO/Executive Director) (Retired at AGM held on 28 April 2014)	2	NA	NA	NA
Tang Chi Loong (Non-Executive and Independent Director)	4	4	2	1
Lee Jim Teck, Edward (Non-Executive and Independent Director)	4	4	2	1

NA: Not Applicable

Newly appointed directors are acquainted with the Company's operations and governance practices through a customized induction program for directors. In addition, first-time directors attended Listed Company Directors course conducted by the Singapore Institute of Directors. A letter is sent to all new directors setting out their duties and obligations.

The Company adopts a policy whereby Directors are encouraged to request for further information or informal discussion on aspect of the Group's operations or issues from Management.

The Company also encourages the directors to attend seminars and receive training to improve themselves in the discharge of their duties as directors. The Company works closely with external professionals to update its directors in any new requirements of the SGX-ST, Companies Act or changes to relevant laws, regulations and accounting standards from time to time.

Board Composition and Guidance

Principle 2: Independent Board

Independent directors make up majority of the Board, with three out of the four Board members being non-executive and independent directors. Specifically, the Company adopts the definition of independence as defined in the Code 2012 in all aspects. The independence of each director is reviewed annually by the NC. Each independent director is required to complete a Director's Independence Declaration annually to confirm his independence. The NC critically reviews the Declaration completed by each Director to determine whether a Director is independent. Having carried out their review for FY2014, the NC has determined that the three non-executive Directors are independent.

The Board is of the opinion that its current size of four directors is both effective and efficient for collective decision making given the nature and size of the Company's operations as well as the background and competence of all the directors. Together, the Board members possess a balanced field of core competencies to lead the Company.

CORPORATE GOVERNANCE REPORT

The independent directors participated actively in all Board discussions and made constructive and positive contribution in areas including strategy formulation, policies, management performance appraisal and monitoring of the Company's financial performance and financial position regularly. In addition, all the Chairmanships of the Board Committees are held by the independent directors.

The Group Chief Executive Officer ("Group CEO") is the most senior executive in the Group and is responsible for setting the strategic goals of the Group.

Chairman and Chief Executive Officer

Principle 3: Chairman and Chief Executive Officer

The Chairman and the Group CEO are two separate persons and they are not related to each other.

In their separate capacities, the Chairman is primarily responsible for the functioning of the Board and the Group CEO is charged with steering the business of the Group. All important decisions are made by the Board collectively.

Assisted by the Company Secretary, the Chairman's role is to schedule Board meetings and set the agenda. He ensures that all directors receive accurate, timely and clear information prior to the Board meetings, encourages constructive relations between the Board and Management and between executive, non-executive and independent directors. He also facilitates the effective contribution of non-executive and independent directors and ensures effective communication with shareholders. The Chairman also leads in promoting high standards of corporate governance in the Company.

The Group CEO has full executive responsibilities over the running of the Group's businesses, the business direction and operational decisions of the Group. The Group CEO leads the Management and he reports to and is accountable to the Board.

Board Membership

Principle 4: A formal and transparent process for the appointment and re-appointment of directors to the Board

The Company has established a NC which comprises of three members, all of whom are non-executive and independent directors.

Chairman	Li Anhua
Member	Tang Chi Loong
Member	Lee Jim Teck, Edward

The Chairman of the NC is not associated in any way with the substantial shareholders of the Company. The NC is established for the purposes of ensuring that there is a formal and transparent process in the selection and appointment of new Board members as well as their subsequent re-nomination/re-election.

Taking into consideration the time spent through attendance at meetings and attention to the affairs of the Company, the NC is of the view that all the directors have adequately discharged their duties effectively.

CORPORATE GOVERNANCE REPORT

The duties of the NC are as follows:

a) Annual review of the terms of reference of NC, the composition of NC, the size of the Board with a view to determining the impact of the number upon effectiveness, and make recommendation to the Board on the appropriate size for the Board to facilitate effective decision making, the required expertise of the directors as a group to ensure that they as a group have adequate relevant core competencies of the directors to discharge the functions of an effective and balanced Board;

b) Annual assessment of the effectiveness and performance of the Board as a whole;

c) Review and make recommendations on all nomination of appointments and re-nomination/re-election;

d) Annual determination of directors' independence; and

e) Overseeing the management, development and succession plans for the Group.

The Articles of Association of the Company currently require one-third of the directors to retire and subject themselves to re-election by the shareholders in every Annual General Meeting. In addition, all directors of the Company (including the Group CEO) shall retire from office at least once every three years.

The Board recognizes the contribution of its independent directors who over time, have developed insight into the Group's businesses and operations and are therefore able to provide invaluable contributions to the Group. As such, the Board has decided not to set a fixed term of office for its independent directors.

The Company does not have any alternate director on its Board. All Directors are required to declare their board representations. When a Director has multiple board representation, the NC will consider whether the Director is able to adequately discharge his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The Board is also of the view that the effectiveness of each director is best assessed by a qualitative assessment of the director's contribution and his ability to devote sufficient time and attention to the Company's affairs. Hence, the Board has decided not to set a numerical limit on the number of listed company board representations as it does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

The directors are appointed on the strength of their ability and experience. Details of all the directors' qualifications and experience are presented in this Annual Report under the heading "Board of Directors" on pages 6 to 7. The dates of initial appointment and last re-election of each director, together with their directorship in other listed companies are also included.

Board Performance

Principle 5: A formal assessment of the effectiveness of the Board and the contribution of each director

The NC has established a performance appraisal process to assess the effectiveness of the Board as a whole. The performance appraisal includes qualitative and quantitative factors including Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control.

CORPORATE GOVERNANCE REPORT

The NC undertakes the Board performance appraisal annually. The appraisal results are reviewed by the NC and discussed with Board members for determining areas for improvement and enhancement of the Board effectiveness. Although the Code 2012 proposes certain financial indicators as performance criteria, such as the Company's share price performance, the Board is of the opinion that the performance criteria should be geared toward evaluating the Board and the directors' performance in discharging its principal responsibilities, upholding high standards of corporate governance and strategic oversight of the Company's business rather than the specific performance of its share price and other financial indicators.

Access to Information

Principle 6: Access to complete, adequate and timely information

The Board is furnished with Board papers prior to any Board meeting. These papers are issued in sufficient time to enable the Directors to obtain additional information or explanations from the Management, if necessary. The Board papers include minutes of the previous meeting, reports relating to investment proposals, budgets, financial results announcements, and reports from Board committees and internal and external auditors.

The directors may communicate directly with the Management team and the Company Secretary on all matters whenever they deem necessary to ensure there is separate and independent access to them. The Company Secretary attends Board meetings and is responsible for recording of the proceedings as well as oversees all processes and practices relating to company secretarial matters.

The Company currently does not have a formal procedure for Directors to seek independent and professional advice for the furtherance of their duties. However, 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 has a transparent policy wherein directors are welcomed to request further information or informal discussions and make recommendations on any aspects of the Company's operations or business issues.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: A formal and transparent procedure for fixing the remuneration packages of individual directors

The Company has established the RC which comprises of three members, all of whom are non-executive and independent directors.

Chairman	Tang Chi Loong
Member	Li Anhua
Member	Lee Jim Teck, Edward

The Board is of the opinion that the composition of the RC, comprising entirely of non-executive and independent directors as required by the Code 2012, has appropriate checks and balances to minimise potential conflict of interest.

CORPORATE GOVERNANCE REPORT

The RC is established for the purpose of ensuring that there is a formal and transparent framework for determination of appropriate remuneration packages of individual directors and key executives. No director is involved in deciding his own remuneration. The overriding principle is to ensure that the level of remuneration should be appropriate to attract, retain and motivate the directors and key executives needed to run the Company successfully and ensure that they are fairly rewarded for their individual contributions to overall performance. The RC will also work within the principle that the remuneration should be structured so as to link rewards to corporate and individual performance. It has adopted written terms of reference that defines its membership, roles, functions and administration. The RC will seek professional advice when necessary in discharging its duties and responsibilities.

The duties of the RC are as follows:

a) To review and make recommendations to the Board a framework of remuneration and the specific remuneration packages of each director (executive and non-executive) and Group CEO;

b) To review and make recommendations to the Board the Company's compensation policies, structures and service contracts, based on proposal by the Group CEO; and

c) To review and make recommendations to the Board the Company's compensation policies, structures and service contracts as proposed by the Company's Group CEO, for relatives of a Director and/or a substantial shareholder who are employed in managerial positions by the Company, or any of its subsidiaries.

Level and Mix of Remuneration

Principle 8: An appropriate remuneration policy to attract, retain and motivate

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary which reflects market worth. The variable component comprises both short-term incentive and longer-term incentives.

Non-executive directors will be paid a fee for their board services and appointment to board committees and performance shares pursuant to the Company's Performance share plan approved by shareholders on 15 May 2008. Directors' fees for non-executive directors are subject to the approval of shareholders at AGMs.

Executive directors are not paid directors' fee. The Company has entered into a service agreement with the executive director on a fixed term. The remuneration of the executive director comprises a basic salary component and an annual incentive bonus which is pegged to the Group's financial performance.

The HLN Technologies Limited Performance Share Plan ("HLN PSP") was approved by shareholders at an Extraordinary General Meeting held on 15 May 2008 and is administered by the Remuneration Committee. The HLN PSP replaces the HLN Technologies Limited Employee Share Option Scheme ("HLN ESOS") which was implemented in September 2005. Persons eligible to participate in the HLN PSP are selected employees of the Group (including Executive Directors, Non-Executive Directors and Independent Directors as well as Controlling Shareholders of the Company and their Associates). The HLN PSP contemplates the award of fully paid shares, their equivalent cash value or combinations thereof, free of charge, when or after prescribed performance targets and service conditions are achieved and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company.

The Company has terminated the HLN ESOS since all unexercised Options granted had already been exercised during FY2009.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 9: Clear disclosure of its remuneration policy, level and mix of remuneration

Remuneration of Directors of the Company

A breakdown, showing the level and mix of each individual director's remuneration payable for the financial year ended 31 December 2014, is as follows:–

Remuneration Band & Name of Directors	Fee[1]	Salary & fixed allowance[2]	Bonus & incentives[2]	Long term incentives[3]	Total
S$500,000 to S$749,999					
Cheong Weixiong, Jeff	Nil	100%	Nil	Nil	100%
Below S$250,000					
Li Anhua	98%	2%	Nil	Nil	100%
Tang Chi Loong	97%	3%	Nil	Nil	100%
Edward Lee Jim Teck	97%	3%	Nil	Nil	100%

(1) Director fees are payable in 2015 after approval by shareholders in the AGM;
(2) Salary & fixed allowance and bonus & incentives shown are inclusive of employer CPF. The non-executive directors are paid S$300.00 meeting allowance for each Board meeting;
(3) Long term incentives include performance shares; no performance share was awarded during the year.

Remuneration of Top 5 Executives of the Company

A breakdown, showing the level and mix of each of the Top 5 executives' remuneration payable for the financial year ended 31 December 2014, is as follows:–

	Salary & fixed allowance[1]	Bonus & incentives[1]	Long term incentives[2]	Total
S$250,000 to S$499,999				
Ng Khoon Seng[3]	73%	26%	Nil	100%
Below S$250,000				
Peter Tan[4]	100%	Nil	Nil	100%
Liew Yoke Loong	97%	3%	Nil	100%
Tan Chye Thiam, Kelvin	94%	6%	Nil	100%
Sim Gim Hwee, Melvin	96%	4%	Nil	100%

(1) Salary & fixed allowance and bonus & incentives shown are inclusive of employer CPF;
(2) Long term incentives includes performance shares, no performance share was awarded during the year;
(3) Mr Ng Khoon Seng resigned as director on 28 April 2014 but remained as a director of subsidiaries;
(4) Mr Peter Tan's last day of service was on 28 November 2014;
(5) The aggregate remuneration paid to the top 5 executives for the year ended 31 December 2014 is approximately S$1,115,227.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2014 there was no employee in the Group, being an immediate family member of a Director or the Group CEO, whose annual remuneration exceeded S$50,000.

The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

In considering the disclosure of remuneration of the Directors and key executives, the Company has regarded the industry conditions in which the Company operates as well as the confidential nature of such remuneration.

The Company believes that full detailed disclosure of the remuneration of each director and each key management personnel as recommended by the Code would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Company's talent pool. The Company has instead presented such information in remuneration bands.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Board to present a balanced and understandable assessment of the Company's performance, position and prospects

Management provides monthly management accounts to the Board and the Board updates shareholders regularly on the financial performance, position and prospects of the Company through the SGXNET announcement released to SGX-ST every half-yearly and annually as well as through the Annual Report to the shareholders.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk and internal controls

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 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 operational, financial and compliance risks. The Board approves the key management policies and ensures the maintenance of a 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.

Pursuant to the Code 2012, the Board has taken steps to engage a professional service firm to develop a risk management policy and to perform an Enterprise Risk Assessment exercise. The risk management policy will be aligned to ISO 31000: 2009, the international standards on Enterprise Risk Management ("ERM") with the objectives of meeting the compliance in the design, implementation and monitoring of the ERM and internal control systems in place.

Until the set-up and implementation of the ERM is completed, the AC and Management will continue to review the Group's operational activities on a quarterly basis to identify areas of material risks. The AC, together with Management and the internal and external auditors, will table all control issues and review the appropriate measures being recommended to mitigate areas of weaknesses highlighted to the Board during its quarterly meetings.

CORPORATE GOVERNANCE REPORT

The Board has obtained assurance from the Chief Executive Officer and Financial Controller that:

(a) 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) the internal controls established and maintained are adequate in addressing the operational, financial and compliance risks faced by the Group under the current operating environment.

The Board notes that system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company 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 judgement in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance and information technology risks, were adequate and effective as at 31 December 2014.

Audit Committee

Principle 12: Establishment of the AC with written terms of reference

The Company has established the AC which comprises of three members, all of whom are non-executive and independent directors.

Chairman	Li Anhua
Member	Tang Chi Loong
Member	Lee Jim Teck, Edward

The Chairman, Mr Li Anhua, has many years of experience in the finance industry. Together with the other members, the AC possesses experience in accounting, legal, business and financial management.

The Board is of the opinion that the members of the AC have sufficient financial management expertise and experience in discharging their duties.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal controls.

In accordance with the terms of reference adopted by the AC, the AC shall review, appraise and report to the Board on:

a) The discussion with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;

b) The review with external auditors, their evaluation of the system of internal control relevant to the Group's preparation of financial statement, the Management Letter and Management's response thereto;

CORPORATE GOVERNANCE REPORT

c) The discussion of problems and concerns, if any, arising from the interim and final audits and any matters that the external auditors may wish to discuss with the AC in the absence of the Management;

d) The review of the independence of the external auditors and nomination of their re-appointment as external auditors of the Company;

e) The review of the internal audit program including the scope and results of the internal audit;

f) The review of interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX-ST);

g) The review of interim and full year financial results and recommendation to the Board for release to the SGX-ST via SGXNET; and

h) Any other functions that are requested by the Board, as may be required by statutes or the Listing Manual.

In discharging the above duties, the AC confirms that it has full access to and co-operation from Management and is given full discretion to invite any Director or Executive Director to attend its meetings. In addition, the AC has also been given reasonable resources to enable it to perform its functions properly.

The AC has conducted an annual review of the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before recommending their re-nomination to the Board. A breakdown of the fees in total for audit and non-audit services is set out on page 58 of this Annual Report. The AC is satisfied with their independence and has recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company.

In addition to the above, the Audit Committee engaged its external auditors to perform Agreed-Upon-Procedures ("AUP") on its half year and full year financial statements. The AUP included reviews on the half year and full year consolidated statements and the related SGXNET announcements for verification of accuracy and the consistent application of the Group's accounting policies.

The AC has met once with the external auditors, and with the internal auditors, without the presence of Management during the year.

Whistle Blowing

The AC has approved a Whistle Blowing Policy to provide employees of the Group with an independent and confidential channel to our independent internal auditor to report suspected fraud, corruption, dishonest practices or irregularities involving the Company and its subsidiaries. The policy encourages the reporting of such matters by employees with confidence that the reporting made in good faith will be handled on a confidential and anonymous basis in compliance with applicable laws and the employees will not be penalized. The Whistle Blowing Policy has been implemented since 1 May 2008 and disseminated to all employees of the Group and reminders circulated to all existing employees and new employees on a semi-annual basis.

Our IA is the appointed independent administrator of the policy and their contact e-mail address is sinjia@whistleblow.com.sg.

CORPORATE GOVERNANCE REPORT

Internal Audit

Principle 13: Establishing an internal audit function

The Company outsources its internal audit function to a professional internal audit firm. The internal auditors ("IA") report 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 Management provides 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 AC is satisfied that the IA is staffed by qualified and experienced personnel.

Shareholder Rights

Principle 14: Facilitate and establish fair and equitable rights of all shareholders

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

The Company does not practice selective disclosure. The Board's policy is that all shareholders should be equally informed of all major developments impacting the Company.

The Company releases its half yearly and full year results, corporate announcements and press releases via the SGXNET on a timely basis.

Principle 15: Communication with shareholders

The Company communicates with its shareholders through its corporate website http://www.sinjl.com.

In addition, the Company engages an investor relations firm to assist in its communication with shareholders as and when required.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results, including dividend announcement and annual reports are announced or issued within the mandatory period and are available on the Company's website. Notices of shareholders' meetings are also published in the local newspapers and announced via SGXNET.

The Company does not have a fixed dividend policy at present. The Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate, will be taken into consideration for determining the frequency & amount of dividends declared each year.

CORPORATE GOVERNANCE REPORT

Conduct of shareholder meetings

Principle 16 – Greater shareholder participation at general meetings

Shareholders are allowed to appoint two proxies to attend or participate in general meetings.

Each item of business is in separate resolutions and special resolutions will be accompanied by the relevant explanatory notes to enable the shareholders to understand the nature and effect of the proposed resolutions.

In addition, the directors, Chairmen of the respective committees and the external auditors will be present at the AGM to address any queries from the shareholders.

At the AGM, the shareholders are given the opportunity to express their views and raise any queries regarding the Company.

To have greater transparency in the voting process, the Company has adopted poll voting since its general meeting of shareholders held in November 2011. Voting of all resolutions in AGMs and EGMs shall be conducted by poll and the results showing the number of votes cast for and against each resolution and the respective percentage will be released via SGXNET announcement.

DEALINGS IN SECURITIES

The Company has devised and adopted its own internal Code of Conduct on dealing in the securities of the Company (the "Code"). The Code was modeled on the best practices on dealings in securities in the Listing Manual of the SGX-ST.

This Code provides guidance to the Group's directors and employees on their dealings in its securities. Officers of the Group are required to confirm their compliance with the Code annually.

Notifications on "black-out-periods" are sent out to all officers and directors to remind them of the following:

a) As a Company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company is required to ensure that its officers comply with this Code of Best Practices on Securities Transactions ("the Code");

b) Officers are prohibited from dealing in the Company's securities during the prohibited period and clearly should refrain from doing so; and

c) Officers should not deal in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

In the Code sent to all directors and officers, they are reminded not to deal in the Company's securities during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements or such other date the Company may specify "black-out-period").

The Company has complied with the Listing Rule 1207(19) in the reporting year ended 31 December 2014.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company has adopted internal guidelines in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's IPTs as disclosed in the Prospectus dated 15 November 2005. The main objective is to ensure that all IPTs are conducted on arm's length basis and on normal commercial terms and will not be prejudicial to our shareholders.

IPTs are subject to review by the Audit Committee on a quarterly basis.

No IPT general mandate has been obtained from the shareholders. There were no interested person transactions exceeding $100,000 as at 31 December 2014.

MATERIAL CONTRACTS

There is no other material contract entered into between the Company and any of its subsidiaries with the Group CEO or any director or Controlling Shareholder at the end of the financial year ended 31 December 2014.

APPOINTMENT OF AUDITORS

The Group has complied with Rules 712, 715 and 716 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited in relation to its auditors.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet and statement of changes in equity of the Company as at 31 December 2014.

Directors

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

Li An Hua
Cheong Weixiong, Jeff
Tang Chi Loong
Lee Jim Teck, Edward

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Performance Share Plan" on pages 30 to 32 of this report.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporation, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2014	At 01.01.2014	At 31.12.2014	At 01.01.2014
Company				
(No. of ordinary shares)				
Cheong Weixiong, Jeff	2,061,000	–	1,500,000	1,500,000
Ng Khoon Seng[(1)]	–	4,734,540	–	500,000
Tang Chi Loong	30,000	30,000	–	–

The deemed interest of Cheong Weixiong, Jeff is arises from the shares held by his nominee, Citibank Nominees Singapore Pte Ltd.

The directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

Notes:
(1) Resigned on 28 April 2014

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit 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 as disclosed in the accompanying financial statements and in this report.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company under option.

HLN Technologies Limited Performance Share Plan ("HLN PSP")

The HLN PSP was approved by the shareholders of the Company at an Extraordinary General Meeting held on 15 May 2008 to replace the HLN Employee Share Option Scheme ("Scheme").

Under the HLN PSP, it is contemplated that the award of fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, issued free of charge to eligible participants would incentivise the participants to excel in their performance and encourage greater dedication and loyalty to the Group. The Company is able to recognise and reward past contributions and services and motivate the participants to continue to strive for the Group's long-term prosperity. The HLN PSP will further strengthen and enhance the Company's competitiveness in attracting and retaining employees with suitable talents. In addition the HLN PSP aims to foster an ownership culture within the Group which aligns the interests of the key executives and employees with the interests of the shareholders.

The HLN PSP contemplates the award of fully paid ordinary shares of the Company when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Group upon expiry of prescribed vesting periods.

The HLN PSP is administered by the Remuneration Committee ("Committee") whose members are:

Li Anhua
Tang Chi Loong
Lee Jim Teck, Edward

Members of the Committee were not and shall not be involved in the Committee's deliberations in respect of performance shares granted to them.

Under the rules of the HLN PSP, any employee (including Executive Directors and Independent Directors of the Company) who holds such rank as may be designated by the Committee from time to time, who has attained the age of 21 years on the date of grant of the award and is not an undischarged bankrupt and has not entered into composition with their respective creditors and who has contributed or will contribute to the success of the Group shall be eligible to participate in the HLN PSP. However, any grant of awards to the Independent Directors pursuant to the HLN PSP is subject to and shall comply with the provisions of section 76 of the Companies Act, Chapter 50.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

HLN Technologies Limited Performance Share Plan ("HLN PSP") (Continued)

Controlling shareholders or their associates who meet the eligible criteria above and who have contributed to the success and development of the Group are eligible to participate in the HLN PSP provided that the participation by each such controlling shareholder or associate and each grant of awards to any one of them may be effected only with the specific prior approval of shareholders at a general meeting in separate resolutions. The Company will at such time seek the specific prior approval of shareholders at a general meeting in separate resolutions for any proposal to grant the controlling shareholders or their associates any awards.

There shall be no restriction on the eligibility of any of the eligible participants to participate in any other share option or share incentive schemes implemented or to be implemented by the Group.

The granting of awards will be made by the Committee at any time during the period when HLN PSP is in force.

The awards granted under the HLN PSP are performance-based, and such awards entitle eligible participants to be allotted fully paid shares upon satisfactory achievement of pre-determined performance targets. The awards given are determined at the discretion of the Committee, who will take into account factors such as the eligible participants' capability, scope of responsibility and skill. The Committee also set specific performance-based criteria such as profitability, growth, asset efficiency, return on capital employed, and other financial indicators, penetration into new markets, increasing market share and market ranking, management skills and succession planning. In addition to the achievement of any pre-determined performance targets or service conditions, awards may also be granted upon the Committee's post-event determination that any eligible participants has performed well and/or made a significant contribution to the Group.

Awards are vested and the shares comprised in the awards are issued at the end of the performance and/or service period once the Committee is, at its sole discretion, satisfied that the prescribed performance targets and/or service conditions have been achieved. The Committee may also grant an award where in its opinion an eligible participant's performance and/or contribution to the Group warrants it.

Eligible participants are not required to pay for the grant of the awards. All taxes (including income tax) arising from the exercise of any awards granted to any eligible participants under the HLN PSP shall be borne by the participants.

The total number of new shares issued or issuable pursuant to awards granted under HLN PSP, when added to the number of new shares issued and issuable in respect of:

(a) all awards granted thereunder;

(b) all options granted under the HLN PSP; and

(c) all shares or awards granted under any other share option or share incentive schemes of the Company then in force,

shall not exceed 15% of the number of issued shares of the Company on the day preceding the relevant date of award.

The total number of new shares issued or issuable under the HLN PSP is subject to the maximum limit of 15% of the Company's total issued share capital from time to time.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

HLN Technologies Limited Performance Share Plan ("HLN PSP") (Continued)

In addition, the total number of new shares issued or issuable under the HLN PSP available to:

(a) all controlling shareholders and their associates must not exceed 25% of the shares available under HLN PSP.

(b) each of the controlling shareholders and their associates must not exceed 10% of the shares available under HLN PSP.

No performance share was granted and issued for the financial years ended 31 December 2013 and 2014.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Li Anhua	(Chairman of Audit Committee and Independent Director)
Tang Chi Loong	(Non-Executive Director and Independent Director)
Lee Jim Teck, Edward	(Non-Executive Director and Independent Director)

All members of the Audit Committee are independent and non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Cheong Weixiong, Jeff
Director

Tang Chi Loong
Director

6 April 2015

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

In the opinion of the directors,

(a) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 36 to 103 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the financial then ended, and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

Cheong Weixiong, Jeff
Director

Tang Chi Loong
Director

6 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINJIA LAND LIMITED AND ITS SUBSIDIARIES

Report on the Financial Statements

We have audited the accompanying financial statements of Sinjia Land Limited ("the Company") and its subsidiaries ("the Group") set out on pages 36 to 103, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINJIA LAND LIMITED AND ITS SUBSIDIARIES

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 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 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.

Nexia TS

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Low See Lien
Appointed since financial year ended 31 December 2013

Singapore

6 April 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Continuing operations			
Revenue	4	**15,528**	17,310
Cost of sales		**(10,565)**	(11,002)
Gross profit		**4,963**	6,308
Other income	7	**199**	8
Other credits	8	**751**	493
Expenses			
– Distribution and marketing		**(1,169)**	(1,284)
– Administrative		**(5,800)**	(6,252)
– Finance	9	**(131)**	(34)
Other charges	8	**(5,206)**	(415)
Share of loss of associated company	18	**–**	(60)
Loss before tax		**(6,393)**	(1,236)
Income tax expense	10	**(468)**	(495)
Loss from continuing operations		**(6,861)**	(1,731)
Discontinued operations			
Loss from discontinued operations	11	**–**	(169)
Total loss		**(6,861)**	(1,900)
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Loss		**(55)**	(117)
Total comprehensive loss		**(6,916)**	(2,017)
Loss attributable to:			
Equity holders of the Company		**(6,405)**	(1,900)
Non-controlling interests		**(456)**	–
		(6,861)	(1,900)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(6,460)**	(2,017)
Non-controlling interests		**(456)**	–
		(6,916)	(2,017)
Loss per share for loss from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share			
From continuing operations	12	**(4.41)**	(1.15)
From discontinued operations	12	**–**	(0.11)
		(4.41)	(1.26)

The accompanying notes form an integral part of these financial statement

BALANCE SHEETS
AS AT 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current assets					
Inventories	13	**1,345**	1,263	**–**	–
Trade and other receivables	14	**7,683**	5,730	**6,157**	2,814
Other current assets	15	**778**	637	**84**	87
Cash and cash equivalents	16	**15,429**	18,261	**5,253**	9,141
		25,235	25,891	**11,494**	12,042
Asset of disposal group classified as held-for-sale	17	**–**	12,121	**–**	12,121
		25,235	38,012	**11,494**	24,163
Non-current assets					
Available-for-sale financial assets	18	**7,460**	–	**7,460**	–
Other receivables	19	**–**	–	**898**	–
Investment in associated company	20	**–**	–	**60**	60
Investments in subsidiaries	21	**–**	–	**11,556**	11,408
Plant and equipment	22	**2,687**	2,926	**341**	450
Assets under construction	23	**5,960**	–	**2,338**	–
		16,107	2,926	**22,653**	11,918
Total assets		**41,342**	40,938	**34,147**	36,081
LIABILITIES					
Current liabilities					
Trade and other payables	24	**11,608**	9,202	**7,967**	7,293
Current income tax liabilities		**166**	190	**–**	–
Borrowings	25	**803**	427	**5,389**	33
		12,577	9,819	**13,356**	7,326
Non-current liabilities					
Borrowings	25	**6,960**	337	**293**	328
Provisions	27	**82**	52	**–**	–
Deferred income tax liabilities	28	**170**	270	**–**	–
		7,212	659	**293**	328
Total liabilities		**19,789**	10,478	**13,649**	7,654
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	29	**23,014**	23,014	**23,014**	23,014
Treasury shares	29	**(2,602)**	(611)	**(2,602)**	(611)
Retained profits		**2,443**	8,848	**86**	6,024
Other reserves	30	**(846)**	(791)	**–**	–
		22,009	30,460	**20,498**	28,427
Non-controlling interests		**(456)**	–	**–**	–
		21,553	30,460	**20,498**	28,427
Total equity and liabilities		**41,342**	40,938	**34,147**	36,081

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	← Attributable to equity holders of the Company →						
		Share capital $'000	Treasury shares $'000	Retained profits $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group								
2014								
Beginning of financial year		23,014	(611)	8,848	(791)	30,460	–	30,460
Purchase of treasury shares	29	–	(1,991)	–	–	(1,991)	–	(1,991)
Total comprehensive loss for the year		–	–	(6,405)	(55)	(6,460)	(456)	(6,916)
End of financial year		23,014	(2,602)	2,443	(846)	22,009	(456)	21,553
2013								
Beginning of financial year		23,014	(611)	10,843	(468)	30,460	–	32,778
Disposal of subsidiary		–	–	206	(206)	–	–	–
Dividend relating to 2012 paid	31	–	–	(301)	–	(301)	–	(301)
Total comprehensive loss for the year		–	–	(1,900)	(117)	(2,017)	–	(2,017)
End of financial year		23,014	(611)	8,848	(791)	30,460	–	30,460
Company								
2014								
Beginning of financial year		23,014	(611)	6,024	–	28,427	–	28,427
Purchase of treasury shares	29	–	(1,991)	–	–	(1,991)	–	(1,991)
Total comprehensive loss for the year		–	–	(5,938)	–	(5,938)	–	(5,938)
End of financial year		23,014	(2,602)	86	–	20,498	–	20,498
2013								
Beginning of financial year		23,014	(611)	8,871	–	31,274	–	31,274
Dividend relating to 2012 paid	31	–	–	(301)	–	(301)	–	(301)
Total comprehensive loss for the year		–	–	(2,546)	–	(2,546)	–	(2,546)
End of financial year		23,014	(611)	6,024	–	28,427	–	28,427

* Retained profits of the Group and the Company are distributable

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Total loss			
– From continuing operations		**(6,393)**	(1,236)
– From discontinued operations		**–**	(169)
		(6,393)	(1,405)
Adjustments for:			
– Depreciation of plant and equipment	22	**832**	920
– Loss on disposal of plant and equipment		**20**	174
– Plant and equipment written-off		**33**	83
– Reversal of impairment loss on plant and equipment		**–**	(74)
– Impairment loss on available-for-sale financial assets	8	**4,661**	–
– Loss on disposal of subsidiary		**–**	65
– Fair value gain on borrowings		**(19)**	–
– Interest income		**(199)**	(18)
– Finance expense		**131**	34
– Share of loss of associated company	20	**–**	60
– Unrealised currency translation losses		**(24)**	(37)
Operating cash flows before working capital changes		**(958)**	(198)
Change in working capital, net of effects from disposal of subsidiary:			
– Inventories		**(82)**	573
– Trade and other receivables		**(1,953)**	913
– Other current assets		**(141)**	9
– Trade and other payables and provisions		**2,436**	7,006
Cash flows generated from operations		**(698)**	8,303
Income tax paid		**(592)**	(578)
Net cash (used in)/provided by operating activities		**(1,290)**	7,725
Cash flows from investing activities			
Investment in an associated company	20	**–**	(60)
Additions to plant and equipment		**(754)**	(327)
Additions to assets under construction		**(5,960)**	–
Disposal of subsidiary, net of cash disposed of	16	**–**	21
Disposal of plant and equipment		**90**	3
Loan to an associated company		**–**	(926)
Interest received		**199**	18
Net cash used in investing activities		**(6,425)**	(1,271)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Cash flows from financing activities			
Proceeds from borrowings		**7,241**	–
Purchase of treasury shares	29	**(1,991)**	–
Repayment of borrowings		**(178)**	–
Cash restricted in use		**(4,500)**	(32)
Release of cash restricted in use		**–**	510
Repayment of lease liabilities		**(37)**	(35)
Interests paid		**(131)**	(34)
Dividend paid to equity holders of the Company	31	**–**	(301)
Net cash provided by financing activities		**404**	108
Net (decrease)/increase in cash and cash equivalents		**(7,311)**	6,562
Cash and cash equivalents			
Beginning of financial year		**18,229**	11,790
Effects of currency translation on cash and cash equivalents		**(21)**	(123)
End of financial year	16	**10,897**	18,229

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Sinjia Land Limited (the "Company") is a Company incorporated in the Republic of Singapore and is publicly traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard. The address of its registered office is 229 Mountbatten Road, #03-31/32, Mountbatten Square, Singapore 398007.

The Company is an investment holding Company. The principal activities of the subsidiaries are described in Note 21 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 Disclosures of Interests in Other Entities

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 January 2014. The Group has incorporated the additional required disclosures into the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Sales of goods*

Revenue from these sales is recognised when the Group has delivered the parts to locations specified by its customers and the customers have accepted the parts in accordance with the sales contract.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) *Collaboration income*

Collaboration income is recognised on accrual basis.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other credits.

Government grants relating to assets are deducted against the carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) Subsidiaries (Continued)

(iii) Disposals

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

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated company" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

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

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(c) *Associated companies (Continued)*

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal and constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated company" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.5 Plant and equipment

(a) *Measurement*

(i) *Plant and equipment*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment (Continued)

(a) *Measurement (Continued)*

(ii) *Components of costs*

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	10 years
Motor vehicles	5 years
Plant and equipment	3 to 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other credits and other (charges)”.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically got the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

Plant and equipment
Assets under construction
Investments in subsidiaries and associated companies

Plant and equipment, assets under construction and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

(a) *Classification*

The Group classifies its financial assets as loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 14 and 19) and "Cash and cash equivalents" (Note 16) on the balance sheet.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value. Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.13 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases

(a) *When the Group is the lessee:*

The Group leases motor vehicles under finance leases and office space and warehouses under operating leases from non-related parties.

(i) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor:*

The Group leases office space to an entity related by a common director and plant and equipment to an external party under operating leases.

Lessor – Operating leases

Leases of office space and plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, and other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.16 Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income tax is measured:

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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Defined benefit plans*

Defined benefit plans are post employment pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the financial date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

The Group provides define post-employment benefits to its employees in accordance with Indonesia Labor Law No. 13/2003.

(c) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into considerations the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee compensation (Continued)

(d) *Short-term compensated absences*

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 balance sheet date.

2.19 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in statement of comprehensive income within "Other credits and other (charges)".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Currency translation (Continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

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

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Dividends to Company's shareholders

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

2.24 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2.25 Assets under construction

Assets under construction are power generation systems ("PGS") which comprise of machinery and equipment. Upon completion, these assets will be held for long-term rental yields and/or sale.

Assets under construction are initially recognised at cost and subsequently carried at cost less impairment.

The cost of assets under construction comprise specifically identified costs, including their purchase prices, borrowing costs and other related expenditure. Borrowing costs (Note 2.6) incurred on loans funding assets under construction are also capitalised, on a specific identification basis as part of the cost of the assets under construction until the completion of construction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

(a) *Net realisable value of inventories*

To determine whether there is impaired marketability of the inventories, the management has to exercise judgement in assessing specific market demand trend for the inventories and competing products. Changing the relevant assumptions could materially affect the determination of the estimated net realisable values of the inventories.

Inventories are stated at the lower of cost and net realisable value. The net realisable value is estimated based on the estimated average realisable value of each category of inventory. The carrying amount of the Group's inventories at balance sheet date are disclosed in Note 13.

If the net realisable value of inventories is lower by 10% from management's estimates, the carrying amount of the Group's inventories would have been lower by $134,500 (2013: $126,300).

(b) *Allowance for doubtful trade receivables*

Management reviews its trade and other receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired.

In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. The carrying amount of trade and other receivables at the balance sheet date are disclosed in Note 14.

If the net present value of estimated cash flows had been lower by 5% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been higher by $384,000 (2013: $266,000).

(c) *Useful life of plant and machinery*

The cost of plant and machinery are depreciated on a straight–line basis over their estimated useful lives which management estimates to be within 3 to 10 years.

The Group reviews the residual values and useful lives of plant and machinery at each reporting date in accordance with the accounting policies in Note 2.5. The estimation of the residual values and useful lives involves significant judgements. The carrying amount of the Group's and of the Company's plant and machinery at balance sheet date are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 Critical accounting estimates and assumptions (Continued)

(c) Useful life of plant and machinery (Continued)

If the actual lives of these plant and equipment differ by 1 year from management estimates, the carrying amount of the plant and machinery will increase by $114,878 (2013: $76,650) and $40,231 (2013: $6,533) or decrease by $142,748 (2013: $212,367) and $16,767 (2013: $65,215) respectively.

4. REVENUE

	Group	
	2014	2013
	$'000	$'000
Sale of goods	**15,490**	17,262
Sundry income	**38**	48
	15,528	17,310

5. EXPENSE BY NATURE

	Group	
	2014	2013
	$'000	$'000
Fees on audit services paid/payable to:		
– Auditor of the Company	**94**	82
– Other auditors*	**20**	80
Fees on non-audit services paid/payable to:		
– Auditor of the Company	**31**	32
– Other auditors*	**6**	14
Changes in inventories	**82**	458
Depreciation of plant and equipment (Note 22)	**832**	864
Employee compensation (Note 6)	**7,673**	8,345
Insurance	**128**	113
Professional fees	**544**	604
Rental expense on operating leases	**713**	1,078
Statutory charges	**289**	226
Telephone	**87**	93
Travelling	**126**	226
Upkeep of motor vehicle	**125**	140
Utilities, power and light	**1,210**	1,052
Purchase of inventories	**4,099**	4,065
Outward carriage	**116**	164
Others	**1,359**	902
Total cost of sales, distribution and marketing and administrative expenses	**17,534**	18,538

* *Include subsidiaries' auditors which are member firms of Nexia International*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. EMPLOYEE COMPENSATION

	Group	
	2014	2013
	$'000	$'000
Wages and salaries	**7,155**	7,698
Directors' fees	**135**	135
Employer's contribution to defined contribution plans including Central Provident Fund	**354**	496
Employer's contribution to defined benefit plans (Note 27)	**29**	16
	7,673	8,345

7. OTHER INCOME

	Group	
	2014	2013
	$'000	$'000
Interest income		
– Bank deposits	**19**	8
– Convertible loan	**180**	–
	199	8

8. OTHER CREDITS AND OTHER (CHARGES)

	Group	
	2014	2013
	$'000	$'000
Collaboration income	**161**	86
Consultancy income	**–**	8
Currency translation (losses)/gains	**(384)**	249
Fair value gain on bank borrowings	**19**	–
Forfeiture of deposit (Note 32)	**450**	–
Government grant income	**78**	64
Impairment loss on available-for-sale financial assets (Note 18)	**(4,661)**	–
Inventories written down (Note 13)	**(121)**	(42)
Loss on disposal of plant and equipment	**(20)**	(156)
Plant and equipment written off	**(33)**	(83)
Rental income	**5**	13
Reversal for impairment on plant and equipment	**–**	73
Reversal/(allowance) for impairment on trade and other receivables (Note 34(b)(ii))	**15**	(45)
Other	**36**	(89)
	(4,455)	78

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8. OTHER CREDITS AND OTHER (CHARGES) (CONTINUED)

	Group	
	2014	2013
	$'000	$'000
Presented in consolidated statement of comprehensive income as:		
Other credits	**751**	493
Other charges	**(5,206)**	(415)
	(4,455)	78

9. FINANCE EXPENSES

	Group	
	2014	2013
	$'000	$'000
Interest expense:		
– Finance lease liabilities	**13**	13
– Bank overdraft	**–**	20
– Bank borrowings	**118**	1
Finance expense recognised in profit or loss	**131**	34

10. INCOME TAX EXPENSE

	Group	
	2014	2013
	$'000	$'000
Tax expense attributable to loss is made up of:		
– Loss for the financial year:		
From continuing operations		
Current income tax		
– Singapore	**3**	12
– Foreign	**522**	617
Deferred income tax (Note 28)	**(99)**	(68)
	426	561
– Under/(over) provision in prior financial years:		
From continuing operations		
Current income tax		
– Singapore	**43**	(92)
– Foreign	**(3)**	(15)
Deferred income tax (Note 28)	**2**	41
	468	495

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. INCOME TAX EXPENSE (CONTINUED)

There is no tax attributable to discontinued operations for financial year 2013 and 2014.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follow:

	Group	
	2014	2013
	$'000	$'000
Loss before tax from		
– Continuing operations	**(6,393)**	(1,236)
– Discontinued operations (Note 11)	**–**	(169)
	(6,393)	(1,405)
Share of loss of associated company, net of tax	**–**	(60)
Loss before tax and share of loss of associated company	**(6,393)**	(1,465)
Tax calculated at tax rate of 17% (2013: 17%)	**(1,087)**	(249)
Effects of:		
– Different tax rate in other countries	**126**	146
– Expenses not deductible for tax purposes	**1,045**	439
– Income not subjected to tax	**(137)**	(205)
– Tax exemptions	**(35)**	(37)
– Deferred tax assets unrecognised	**508**	457
– Others	**6**	10
Tax charge	**426**	561

The Group has unrecognised tax losses of $8,774,000 (2013: $5,849,000) and capital allowances of $317,000 (2013: $256,000) at the balance sheet date which can be carried forward and used to offset against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

11. DISCONTINUED OPERATIONS

Following the approval of the Group's management and shareholders on 19 September 2013 to sell 100% of its interest in Process Innovation Technology (Suzhou) Co., Ltd ("PIL") in China, the results from PIL are presented separately on the consolidated statement of comprehensive income as "Discontinued operations".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

11. DISCONTINUED OPERATIONS (CONTINUED)

(a) The results of the discontinued operations and the remeasurement of the disposal group are as follows:

	Group	
	2014	2013
	$'000	$'000
Revenue	**–**	1,584
Expenses	**–**	(1,753)
Loss before tax from discontinued operations	**–**	(169)
Income tax expense (Note 10)	**–**	–
Loss after tax from discontinued operations	**–**	(169)

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2014	2013
	$'000	$'000
Operating cash inflows	**–**	1,174
Investing cash inflows	**–**	5
Financing cash outflows	**–**	(465)
Total cash inflows	**–**	714

12. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of shares outstanding during the financial year.

		Group	
	Continuing operations	**Discontinued operations**	**Total**
2014			
Loss attributable to the equity holders of the Company ($'000)	(6,405)	–	(6,405)
Weighted average number of ordinary shares ('000)	145,297	–	145,297
Basic and diluted loss per share (cents per share)	(4.41)	–	(4.41)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. LOSS PER SHARE (CONTINUED)

	Group		
	Continuing operations	**Discontinued operations**	**Total**
2013			
Loss attributable to the equity holders of the Company ($'000)	(1,731)	(169)	(1,900)
Weighted average number of ordinary shares ('000)	150,273	150,273	150,273
Basic and diluted loss per share (cents per share)	(1.15)	(0.11)	(1.26)

There were no dilutive potential ordinary shares in respect of performance shares during the financial year.

13. INVENTORIES

	Group	
	2014	2013
	$'000	$'000
Raw materials and consumables	**673**	639
Work-in-progress	**284**	266
Finished goods	**388**	358
	1,345	1,263

The cost of inventories recognised as an expense and included in "Cost of sales" amounts to $10,565,000 (2013: $11,002,000).

The Group recognised an inventory write-down of $121,000 (2013: $42,000) in "Other credits and (other charges)".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables				
– Non-related parties	**4,631**	4,657	**421**	31
Less: Allowance for impairment of receivables – non-related parties (Note 34(b)(ii))	**(10)**	(27)	**–**	–
Trade receivables – net	**4,621**	4,630	**421**	31
Other receivables				
Loan to				
– Associated company (a)	**907**	926	**907**	926
– Subsidiaries (a)	**–**	–	**1,771**	1,250
Amount due from subsidiaries (a)	**–**	–	**1,922**	1,487
Convertible loan (b)	**2,000**	–	**2,000**	–
Staff loans and receivables	**155**	174	**36**	20
	3,062	1,100	**6,636**	3,683
Less: Allowance for impairment of other receivables – subsidiary (Note 34(b)(ii))	**–**	–	**(900)**	(900)
Other receivables – net	**3,062**	1,100	**5,736**	2,783
	7,683	5,730	**6,157**	2,814

(a) The amount due from subsidiaries, associated company and staff are unsecured, interest free and repayable upon demand.

(b) On 8 July 2014, the Company entered into convertible loan agreement with Barons Vista LLC ("Barons"), an unlisted company incorporated in United States of America, to subscribe for $2,000,000 ("Investment sum"), 1 year convertible loan, matures on 7 July 2015 ("Maturity Date"). The convertible loan carries an interest rate of 18% per annum and Barons shall pay the principal sum of at least $1,000,000 and its interest to the Company 6 months from the disbursement date (i.e. 7 January 2015). The remaining balance of the investment sum plus interest shall be repaid to the Company on 12 months from the disbursement date (i.e. 7 July 2015).

Under the terms of the convertible loan agreement, the Company shall have the option to convert this loan into new ordinary shares of Barons. The number of conversion shares to be allotted and issued by Barons upon the exercise of the option shall be based on and be in proportion to the sum of the balance amount of investment sum, with the Company being entitled to convert the balance amount of $1,000,000 into such number of conversion shares representing 20% of the enlarged share capital of Barons.

At the date of this report, $1,000,000 of this has been collected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) In accordance with FRS39, Financial Instrument: Recognition and Measurement, the Company has assessed and determined that the equity conversion feature in the convertible loan as an embedded derivative since the economic characteristic and risks are not closely related to the loan.

Management has, taking into consideration the short tenure and high interest rate of convertible loan, assessed the fair value of the derivative to be inconsequential.

15. OTHER CURRENT ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deposits	**578**	407	**64**	50
Prepayments	**200**	230	**20**	37
	778	637	**84**	87

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**15,429**	18,261	**5,253**	9,141

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2014	2013
	$'000	$'000
Cash and bank balances	**15,429**	18,261
Less: Bank deposits pledged	**(4,532)**	(32)
	10,897	18,229

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 25) and office premises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

16. CASH AND CASH EQUIVALENTS (CONTINUED)

Disposal of subsidiary

On 19 September 2013, the Company disposed of its entire interest in Process Innovation Technology (Suzhou) Co., Ltd, with effect from 30 June 2013, for a cash consideration of $1,487,956. The effects of the disposal on the cash flows of the Group were:

	Group 2013 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	1,427
Trade and other receivables	816
Other current assets	371
Plant and equipment	722
Total assets	3,336
Trade and other payables	(1,823)
Total liabilities	(1,823)
Net assets disposed of	1,513
The aggregate cash inflows arising from the disposal of Process Innovation Technology (Suzhou) Co., Ltd were:	
Net assets disposed of (as above)	1,513
– Reclassification of currency translation reserve	(40)
	1,473
Loss on disposal	(25)
Cash proceeds from disposal	1,448
Less: Cash and cash equivalents in subsidiary disposed of	(1,427)
Net cash inflow on disposal	21

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

17. ASSET OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

In financial year 2012, the Group underwent restructuring to dispose its investment in Greatly Holdings Investment Limited (which has 30% interest in Tianjin Swan Lake Real Estate Development Co., Limited ("TSJL"), an associate of the Group). As such, the investment in associate of $12,121,000 (Note 20) was classified as an asset of disposal group held-for-sale.

As at 31 December 2013 (based on the Sale and Purchase agreement signed on 20 August 2012), the Company has yet to complete its disposal of the investment in Greatly Holdings Investment Limited although the completion date of the disposal was on 31 March 2013, as the Purchaser has yet to make full payment of the consideration.

Management is of the view that the delay in the completion of the disposal is caused by events and circumstances beyond the Company's control. At that point, the management does not have the intention to defer the completion of the sale and purchase and are committed to proceed with the completion of the disposal as soon as possible.

Management has assessed and deemed that the purchaser is still committed to the purchase as a binding sale and purchase agreement had been entered into between the Company and the purchaser, and the Company has received progressive payments of RMB35,000,000 (S$7,460,418) out of the total consideration of RMB64,030,000 (S$12,121,000) since the date of the agreement.

However, for the financial year 2014, there were no further payments made by the purchaser. The board of directors is given to understand that the purchaser being a Chinese national is facing remittance issue as RMB is a controlled currency. This is further exacerbated by the uncertain political and economic conditions persisting in China at the moment. These factors created greater uncertainties on when the remaining purchase consideration can be collected and thereby the completion of the disposal. Due to these reasons, the management has re-assessed the situation and deemed that a reversal on the presentation of asset of disposal group classified as held-for-sale would be more appropriate.

Furthermore, during the financial year 2014, as a result of the resignation of the Group's representative in the board of directors of TJSL, the Group no longer has significant influence over TJSL. Consequently, the investment in TJSL was reclassified from "Asset of disposal group held-for-sale" to "Available-for-sale financial assets" on the balance sheet.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**–**	–	**–**	–
Reclassified from asset of disposal group classified as held-for-sale (Note 17)	**12,121**	–	**12,121**	–
Impairment losses (Note 8)	**(4,661)**	–	**(4,661)**	
End of financial year	**7,460**	–	**7,460**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Available-for-sale financial assets are analysed as follows:–

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Unlisted security				
– Equity security – Tianjin Swan Lake Real Estate Development Co., Limited	**7,460**	–	**7,460**	–

The available-for-sale financial assets are carried at cost less impairment loss as the unlisted equity security does not have a quoted market price in an active market and, other methods of determining fair value that will result in a reasonable estimate.

The carrying value of available-for-sale financial assets reclassified from asset of disposal group held-for-sale was $12,121,000 (Note 17). An allowance for impairment of $4,661,000 (representing the difference between the cost and cumulative amount which had been received from the purchaser) has been made to the profit or loss, as there has been significant delays in payments.

19. OTHER RECEIVABLES

	Company	
	2014	2013
	$'000	$'000
Loan to subsidiary	**898**	–

The amount of loan to subsidiary is unsecured, interest free and repayable on 13 April 2017.

The fair value of other receivables approximates the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Equity investment at cost				
Beginning of financial year	**–**	12,121	**60**	12,121
Additions	**–**	60	**–**	60
Share of losses	**–**	(60)	**–**	–
Less: Reclassified to asset of disposal group held-for-sale (Note 17)	**–**	(12,121)	**–**	(12,121)
End of financial year	**–**	–	**60**	60

Management has assessed the Group's influence of its associated company and determines that it has significant influence as the shareholdings are above 20%. Consequently, the investment has been classified as associated company and accounted for using the equity method.

Set out below is the associated company of the Group as at 31 December 2014, which, in the opinion of the directors, are material to the Group. The associated company as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

			Equity holding	
Name of entity	**Principal activities**	**Country of business/ incorporation**	**2014 %**	2013 %
Ace Empire Capital Sdn Bhd	Property developer	Malaysia	**30.00**	30.00

There are no contingent liabilities relating to the Group's interest in the associated company.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20. INVESTMENT IN ASSOCIATED COMPANY (CONTINUED)

Summarised financial information for associated company

Set out below is the summarised financial information of Ace Empire Capital Sdn Bhd.

	Ace Empire Capital Sdn Bhd As at 31 December	
	2014	2013
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**–**	–
Interest income	*****	7
Expenses		
Includes:		
– Depreciation	*****	*
Loss from operations	**(98)**	(90)
Total comprehensive loss	**(98)**	(90)

* Less than $1,000

The Group has not recognised its share of losses of an associated company amounting to $98,429 (2013: $30,000) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amount to $128,429 (2013: $30,000) at the balance sheet date.

21. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**15,408**	15,395
Additions	*****	13
End of financial year	**15,408**	15,408
Allowance for impairment		
Beginning and end of financial year	**(4,000)**	(4,000)
Carrying amount		
End of financial year	**11,408**	11,408
Loan to subsidiary	**148**	–
Total	**11,556**	11,408

The amount of loan to subsidiary is unsecured, interest free and repayable on 13 April 2017.

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2014 and 2013:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %	2014 %	2013 %
HLN Rubber Products Pte Ltd [a]	Precision elastomeric moulding of rubber components	Singapore	100	100	100	100	–	–
Sinjia Properties Pte Ltd [a]	Precision polymeric die-cutting of foams and other materials	Singapore	100	100	100	100	–	–
HLN Micron Pte Ltd [a]	Investment holding company	Singapore	100	100	100	100	–	–
Paradise Palms Resort Properties Limited [d]	Property developer	Hong Kong	100	100	100	100	–	–
PT HLN Batam [b] (Jamaludin, Aria, Sukimto & Reka)	Precision elastomeric moulding of rubber components	Indonesia	100	100	100	100	–	–
HLN (Suzhou) Rubber Products Co., Ltd [c] (Nexia HDDY CPA (Shanghai) Co., Ltd)	Precision elastomeric moulding of rubber components	China	100	100	100	100	–	–
HLN Rubber Industries Sdn Bhd [b] (SQ Morison)	Precision elastomeric moulding of rubber components	Malaysia	100	100	100	100	–	–
HLN Technologies Sdn Bhd [d]	Dormant	Malaysia	100	100	100	100	–	–
Sinjia RTE Solutions Pte Ltd [a]	Procuring, assembling and installing fuel cell systems for generation of electricity and production of synthetic diesel	Singapore	51	–	51	–	49	–
Sinjia Land Sdn. Bhd [d]	Property development and general trading	Malaysia	100	–	100	–	–	–

(a) Audited by Nexia TS Public Accounting Corporation, Singapore.
(b) Audited by firms of accountants other than member firms of Nexia International of which Nexia TS is a member. Their names are indicated as above.
(c) Audited by member firms of Nexia International. Their names are indicated as above.
(d) Not required to be audited as the subsidiary is undergoing liquidation.

NOTES TO THE FINANCIAL STATEMENTS

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21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

	Group	
	2014	2013
	$'000	$'000
Carrying value of non-controlling interest		
Sinjia RTE Solutions Pte Ltd	**456**	–

Set out below are the summarised financial information for the subsidiary that has non-controlling interest that are material to the Group. There are presented before inter-company eliminations.

There was no transactions with non-controlling interest for the financial year ended 31 December 2014 and 2013.

	Sinjia RTE Solutions Pte Ltd As at 31 December	
	2014	2013
	$'000	$'000
Summarised balance sheet		
Current		
Assets	**278**	–
Liabilities	**(4,480)**	–
Total current net liabilities	**(4,202)**	–
Non-current		
Assets	**3,633**	–
Liabilities	**(212)**	–
Total non-current net assets	**3,421**	
Net liabilities	**(781)**	–
Summarised income statement		
Loss before income tax	**(930)**	–
Income tax expenses	**–**	–
Loss from continuing operations	**(930)**	–
Other comprehensive income	**–**	–
Total comprehensive income	**(930)**	–
Total comprehensive income allocated to non-controlling interests	**(456)**	–
Summarised cash flows		
Net cash used in operating activities	**1,107**	–
Net cash used in investing activities	**(3,637)**	–
Net cash used in financing activities	**2,600**	–
Net increase in cash and cash equivalents	**70**	–
Cash and cash equivalents at beginning of financial year	**–**	–
Cash and cash equivalents at end of year	**70**	–

NOTES TO THE FINANCIAL STATEMENTS
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22. PLANT AND EQUIPMENT

	Leasehold improvements $'000	Motor vehicles $'000	Plant and equipment $'000	Total $'000
Group				
2014				
Cost				
Beginning of financial year	1,434	668	8,713	10,815
Currency translation differences	2	1	(52)	(49)
Additions	227	–	527	754
Disposals	–	(7)	(727)	(734)
End of financial year	1,663	662	8,461	10,786
Accumulated depreciation and impairment				
Beginning of financial year	1,004	222	6,663	7,889
Currency translation differences	8	2	(41)	(31)
Depreciation charges (Note 5)	100	131	601	832
Disposals	–	(7)	(584)	(591)
End of financial year	1,112	348	6,639	8,099
Net book value				
End of financial year	551	314	1,822	2,687
2013				
Cost				
Beginning of financial year	1,733	346	10,684	12,763
Currency translation differences	22	(7)	(241)	(226)
Additions	88	388	239	715
Disposals	(409)	(59)	(1,969)	(2,437)
End of financial year	1,434	668	8,713	10,815
Accumulated depreciation and impairment				
Beginning of financial year	1,182	138	7,393	8,713
Currency translation differences	26	(4)	(218)	(196)
Depreciation charges				
– Continued operations (Note 5)	101	118	645	864
– Discontinued operations	–	7	49	56
Disposals	(305)	(37)	(1,206)	(1,548)
End of financial year	1,004	222	6,663	7,889
Net book value				
End of financial year	430	483	2,013	2,926

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

22. PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles $'000	Plant and equipment $'000	Total $'000
Company			
2014			
Cost			
Beginning of financial year	388	565	953
Additions	–	7	7
End of financial year	388	572	960
Accumulated depreciation and impairment			
Beginning of financial year	65	438	503
Depreciation charge	78	38	116
End of financial year	143	476	619
Net book value			
End of financial year	245	96	341
Company			
2013			
Cost			
Beginning of financial year	–	446	446
Additions	388	129	517
Disposals	–	(10)	(10)
End of financial year	388	565	953
Accumulated depreciation and impairment			
Beginning of financial year	–	413	413
Depreciation charge	65	29	94
Disposals	–	(4)	(4)
End of financial year	65	438	503
Net book value			
End of financial year	323	127	450

Included within additions in the balance sheet are motor vehicle acquired under finance leases amounting to $Nil (2013: $388,461).

The carrying amounts of motor vehicles held under finance leases of the Group and the Company are $264,128 (2013: $356,303) and $245,000 (2013: $323,718) respectively at the balance sheet date.

Bank borrowings are secured on plant and equipment of the Group at cost of $2,986,311 (2013: Nil) (Note 25).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

23. ASSETS UNDER CONSTRUCTION

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Power generation system	**5,960**	–	**2,338**	–

During the financial year, $5,960,000 (2013: Nil) was capitalised as assets and classified as assets under construction as the testing and commissioning of the system has yet to be completed.

The Group had entered into a lease agreement with a government authority for the power generation system of hydrogen integrated energy produced using proton exchange membrane technology.

The Company had entered into a lease agreement for a period of 10 years with Tembusu Industries Pte Ltd for the power generation system of diesel power generation system with a total nameplate capacity of 6MW, along with automatic transfer switch, transformers and associated cables respectively. Subsequent to 31 December 2014, this was sold (Note 37(i)).

Bank borrowings are secured on assets under construction of the Group at cost of $2,136,854 (2013: Nil) (Note 25).

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables				
– Non-related parties	**2,265**	928	**–**	–
Accruals for operating expenses	**1,316**	1,275	**353**	456
Deposits received	**–**	450	**–**	450
Other payables				
– Non-related parties	**8,027**	6,549	**7,614**	6,387
	11,608	9,202	**7,967**	7,293

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

25. BORROWINGS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Current				
Loan from subsidiary	**–**	–	**5,350**	–
Bank borrowings	**756**	386	**–**	–
Finance lease liabilities (Note 26)	**47**	41	**39**	33
	803	427	**5,389**	33
Non-current				
Bank borrowings	**6,666**	–	**–**	–
Finance lease liabilities (Note 26)	**294**	337	**293**	328
	6,960	337	**293**	328
Total borrowings	**7,763**	764	**5,682**	361

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
6 months or less	**215**	213	**18**	17
6 – 12 months	**588**	214	**5,371**	16
1 – 5 years	**2,001**	157	**155**	148
Over 5 years	**4,959**	180	**138**	180
	7,763	764	**5,682**	361

(a) Security granted

Bank borrowings of the Group are secured over the plant and equipment (Note 22) and assets under construction (Note 23). Finance lease liabilities of the Group and the Company are effectively secured over the leased motor vehicles (Note 22), as the legal title is retained by the lessor and will be transferred to the Group and the Company upon full settlement of the finance lease liabilities.

(b) Fair values of non-current borrowings

The fair values of non-current borrowings carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

25. BORROWINGS (CONTINUED)

(c) Undrawn borrowing facilities

	Group	
	2014	2013
	$'000	$'000
Expiring beyond one year	**756**	772

26. FINANCE LEASE LIABILITIES

The Group and the Company leases motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group and the Company with options to purchase the leased assets at nominal values at the end of the lease term.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Minimum lease payments due				
– Not later than one year	**58**	54	**50**	46
– Between one and five years	**186**	194	**185**	184
– Later than five years	**146**	192	**146**	192
	390	440	**381**	422
Less: Future finance charges	**(49)**	(62)	**(49)**	(61)
Present value of finance lease liabilities	**341**	378	**332**	361

The present values of finance lease liabilities are analysed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year (Note 25)	**47**	41	**39**	33
Later than one year (Note 25)				
– Between one and five years	**156**	157	**154**	148
– Later than five years	**138**	180	**139**	180
	294	337	**293**	328
Total	**341**	378	**332**	361

NOTES TO THE FINANCIAL STATEMENTS

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27. PROVISIONS

	Group	
	2014	2013
	$'000	$'000
Post-employment benefit		
Obligations recognised in the balance sheet for:		
Defined pension benefits	**82**	52
Expenses charged to profit or loss:		
Defined pension benefits (Note 6)	**29**	16
Present value of unfunded obligations/liabilities recognised in the balance sheet	**82**	52

The amount recognised in the balance sheet is determined as follows:

	Group	
	2014	2013
	$'000	$'000
Present value of unfunded obligations/liabilities recognised in the balance sheet	**82**	52

The movement in the defined benefit obligation is as follows:

	Group	
	2014 Present value of obligation $'000	**2013 Present value of obligation $'000**
Beginning of financial year	52	56
Current service cost	29	16
Exchange differences	1	(11)
Benefits paid during the year	–	(9)
End of financial year	82	52

The Group operates defined benefit retirement plans for all qualifying employees of its divisions in Indonesia. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

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27. PROVISIONS (CONTINUED)

The principal actuarial assumptions used for the purpose of the actuarial valuation of the defined benefit retirement plans at each end of the financial year were as follows:

	Group	
	2014	2013
Discount rate	**8.5%**	8.0%
Salary growth rate	**10%**	10%
Mortality rate	**TMI * 2011**	TMI * 2011
Disability rate	**10% of TMI * 2011**	10% of TMI * 2011
Withdrawal rate	**1.2 up to 6%**	1.2 up to 6%

* Indonesia Mortality Table (TMI)

28. DEFERRED TAX LIABILITIES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts are shown on the balance sheet as follow:

	Group	
	2014	2013
	$'000	$'000
Deferred income tax liabilities		
– To be settled after one year	**170**	270

Movement in deferred income tax account is as follows:

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**270**	306
Currency translation differences	**(3)**	(9)
Tax charge to profit or loss – net (Note 10)	**(97)**	(27)
End of financial year	**170**	270

NOTES TO THE FINANCIAL STATEMENTS

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28. DEFERRED TAX LIABILITIES (CONTINUED)

The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group	
	2014	2013
	$'000	$'000
Accelerated tax depreciation		
Beginning of financial year	**270**	306
Currency translation differences	**(3)**	(9)
Tax charge to profit or loss	**(97)**	(27)
End of financial year	**170**	270

29. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital '000	**Treasury shares '000**	**Issued share capital $'000**	**Treasury shares $'000**
Group and Company				
2014				
Beginning of financial year	150,273	(5,365)	23,014	(611)
Treasury shares purchased	–	(9,613)	–	(1,991)
End of financial year	150,273	(14,978)	23,014	(2,602)
2013				
Beginning and end of financial year	150,273	(5,365)	23,014	(611)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividend as and when declared by the Company.

The Company acquired 9,613,000 (2013: Nil) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $1,990,857 (2013: Nil) and this was presented as a component within shareholders' equity.

NOTES TO THE FINANCIAL STATEMENTS

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30. OTHER RESERVES

	Group	
	2014	2013
	$'000	$'000
(a) Composition:		
Currency translation reserve	**(892)**	(837)
Statutory reserve	**46**	46
	(846)	(791)

(b) Movements:

(i) Currency translation reserve

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	(837)	(720)
Net currency translation difference of financial statements of foreign subsidiaries	(55)	(117)
End of financial year	(892)	(837)

(ii) Statutory reserve

Beginning of financial year	46	(252)
Disposal of subsidiary	–	206
End of financial year	46	46

According to the relevant regulations in the People's Republic of China ("PRC"), the subsidiaries in the PRC are required to transfer 10% of their profit after tax to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer of this reserve must be made before the distribution of dividends to shareholders. Statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion of the existing interests of owners, provided that the balance after conversion is not less than 25% of the registered capital.

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS
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31. DIVIDENDS

	Group and Company	
	2014	2013
	$'000	$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of Nil (2013: 0.2 cents) per share	–	301

32. CONTINGENT LIABILITIES

Contingent liabilities of which the probability of settlement is not remote at the balance sheet date, are as follows:

Company

Financial support

The Company has undertaken to provide financial support for subsidiaries in the Group with a total capital deficiency of $1,173,561 as at the financial year end, so as to enable the subsidiary to meet its obligation as and when they fall due.

Corporate guarantee

The Company has issued corporate guarantee to banks for borrowings of subsidiaries. These bank borrowings amounting to $7,018,679 (2013: Nil) at the balance sheet date.

Letter of claim

On 28 December 2012, Sinjia Land Limited ("the Company") received a letter of claim from its former Group Chief Operating Officer, Wa Kok Liang, Leslie, for the recovery of $450,000 deposit placed for the purchase of the Company's lifestyle products business unit. This claim is with respect to the non-completion of the proposed purchase. Mr. Wa has also requested for reinstatement of his role with the Company and an apology from the Company's Board of Directors for making erroneous and defamatory description of him in the Company's announcement on SGX-ST on 4 December and 8 December 2012.

The Company has since refuted Mr. Wa's claims and the matter is now in the hands of the Company's lawyers in preparation to initiate arbitration proceedings.

From the review of the evidence submitted to-date by Mr. Wa and the lawyer's advice, the directors are of the opinion that the claim is without merit and remote. No provision for the claim has been made in relation to this claim in the financial statements for the years ended 31 December 2013 and 2014. Furthermore, the Group had recognised the reversal of deposit and recorded as other credits (Note 8) during the financial year ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

33. COMMITMENTS

(a) Operating lease commitments – where the Group is a lessee

The Group and the Company lease office space and warehouses from non-related parties under non-cancellable lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**704**	683	**130**	130
Between one and five years	**1,382**	767	**162**	292
	2,086	1,450	**292**	422

(b) Operating lease commitments – where the Group is a lessor

The Group and Company lease office space to an entity related by a common director and plant and equipment to an external party under non-cancellable operating leases.

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

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**80**	166	**–**	5
Between one and five years	**–**	80	**–**	–
	–	246	**–**	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principals of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

(a) Market risk

(i) Currency risk

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD"), Renminbi ("RMB"), Indonesia Rupiah ("IDR") and Malaysia Ringgit ("MYR"). In addition, the Group is exposed to currency translation risk on the net assets in the foreign operations in China, Indonesia and Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	IDR $'000	MYR $'000	Other $'000	Total $'000
At 31 December 2014							
Financial assets							
Trade and other receivables	2,947	663	771	243	3,024	35	7,683
Other current assets	104	–	218	100	156	–	578
Cash and bank equivalents	9,699	616	2,536	5	2,482	91	15,429
Available-for-sale financial assets	–	–	7,460	–	–	–	7,460
Receivables from subsidiaries	11,208	499	–	–	–	–	11,707
	23,958	1,778	10,985	348	5,662	126	42,857
Financial liabilities							
Trade and other payables	(1,191)	(1,532)	(8,084)	(283)	(518)	–	(11,608)
Borrowings	(7,385)	–	–	–	(378)	–	(7,763)
Payables to subsidiaries	(11,208)	(499)	–	–	–	–	(11,707)
	(19,784)	(2,031)	(8,084)	(283)	(896)	–	(31,078)
Net financial assets/ (liabilities)	4,174	(253)	2,901	65	4,766	126	11,779
Add: Net non-financial assets/(liabilities)	14,015	–	(6,719)	1,111	1,367	–	9,774
Net assets/ (liabilities)	18,189	(253)	(3,818)	1,176	6,133	126	21,553
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities functional currencies	196	(253)	(3,818)	–	907	125	(2,843)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

The Group's currency exposure based on the information provided to key management is as follows (Continued):

	SGD $'000	USD $'000	RMB $'000	IDR $'000	MYR $'000	Other $'000	Total $'000
At 31 December 2013							
Financial assets							
Trade and other receivables	1,049	1,117	810	(20)	2,744	30	5,730
Other current assets	111	–	57	84	155	–	407
Cash and bank equivalents	6,799	2,674	6,421	39	2,217	111	18,261
Receivables from subsidiaries	4,957	317	–	–	–	–	5,274
	12,916	4,108	7,288	103	5,116	141	29,672
Financial liabilities							
Trade and other payables	(1,361)	(199)	(6,557)	(204)	(871)	(10)	(9,202)
Borrowings	(378)	–	–	–	(386)	–	(764)
Payables to subsidiaries	(4,687)	(587)	–	–	–	–	(5,274)
	(6,426)	(786)	(6,557)	(204)	(1,257)	(10)	(15,240)
Net financial assets/ (liabilities)	6,490	3,322	731	(101)	3,859	131	14,432
Add: Net non-financial assets	13,077	–	692	683	1,576	–	16,028
Net assets	19,567	3,322	1,423	582	5,435	131	30,460
Currency exposure of financial assets net of those denominated in the respective entities functional currencies	650	3,593	13	–	926	133	5,315

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD $'000	RMB $'000	MYR $'000	Other $'000	Total $'000
At 31 December 2014					
Financial assets					
Trade and other receivables	6,108	–	947	–	7,055
Other current assets	64	–	–	–	64
Cash and cash equivalents	3,310	1,941	–	2	5,253
Available-for-sale financial assets	–	7,460	–	–	7,460
	9,482	9,401	947	2	19,832
Financial liabilities					
Trade and other payables	(507)	(7,460)	–	–	(7,967)
Borrowings	(5,682)	–	–	–	(5,682)
	(6,189)	(7,460)	–	–	(13,649)
Net financial assets	3,293	1,941	947	2	6,183
Add: Non-financial assets	14,315	–	–	–	14,315
Net assets	17,608	1,941	947	2	20,498
Currency exposure of financial assets net of those denominated in the Company's functional currencies	–	1,941	947	2	2,890

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

The Company's currency exposure based on the information provided to key management is as follows (Continued):

	SGD $'000	RMB $'000	MYR $'000	Other $'000	Total $'000
At 31 December 2013					
Financial assets					
Trade and other receivables	1,856	–	926	32	2,814
Other current assets	50	–	–	–	50
Cash and cash equivalents	2,870	6,270	–	1	9,141
	4,776	6,270	926	33	12,005
Financial liabilities					
Trade and other payables	(1,037)	(6,256)	–	–	(7,293)
Borrowings	(361)	–	–	–	(361)
	(1,398)	(6,256)	–	–	(7,654)
Net financial assets	3,378	14	926	33	4,351
Add: Non-financial assets	24,076	–	–	–	24,076
Net assets	27,454	14	926	33	28,427
Currency exposure of financial assets net of those denominated in the Company's functional currencies	–	14	926	33	973

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

If the USD, RMB and IDR change against the SGD by 5% (2013: 5%) and MYR change against the SGD by 1% (2013: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease)			
	2014		2013	
	Loss after tax $'000	Other Comprehensive Income $'000	Loss after tax $'000	Other Comprehensive Income $'000
Group				
USD against SGD				
– strengthened	(10)	–	(149)	–
– weakened	10	–	149	–
RMB against SGD				
– strengthened	(1)	89	*	88
– weakened	1	(89)	*	(88)
IDR against SGD				
– strengthened	12	(76)	–	(60)
– weakened	(12)	76	–	60
MYR against SGD				
– strengthened	(7)	50	38	217
– weakened	7	(50)	(38)	(217)
Company				
RMB against SGD				
– strengthened	(16)	–	(1)	–
– weakened	16	–	1	–
MYR against SGD				
– strengthened	(8)	–	(38)	–
– weakened	8	–	38	–

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Price risk

The unquoted investments held by the Group and Company which are classified on the balance sheets as available-for-sale financial assets are carried at cost less impairment losses. As these financial assets are not quoted on any active market, the management is of the opinion that these investments are not exposed to equity price risk.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest risks arises mainly from current and non-current borrowings. The Company's exposure to cash flow interest rate risks arises mainly from non-current borrowings and loans to subsidiaries at variable rates.

The Group's and Company's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had increased/decreased by 1% (2013: 1%) with all other variables including tax rates being held constant, the loss after tax for the year would have been higher/lower by $64,400 (2013: $6,300) and $47,100 (2013: $3,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet except as follows:

	Group	
	2014	2013
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' loans	**4,237**	–

The trade receivables of the Group comprise 6 (2013: 9) debtors that individually represented 5 – 10% of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2014	2013
	$'000	$'000
Singapore	**967**	1,241
China	**758**	780
Malaysia	**2,084**	1,813
Indonesia	**822**	823
	4,631	4,657

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables from related parties and subsidiaries.

The age analysis of trade and other receivables past due but not impaired is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Past due less than 3 months	**6,358**	3,640	**597**	200
Past due 3 to 6 months	**172**	761	**2,697**	440
Past due over 6 months	**1,063**	926	**2,863**	2,174
	7,593	5,327	**6,157**	2,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

(ii) Financial assets that are past due and/or impaired (Continued)

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowances for impairment are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Past due over 6 months	**100**	430	**900**	900
Less: Impairment for allowances (Note 14)	**(10)**	(27)	**(900)**	(900)
	90	403	**–**	–
Beginning of financial year	**27**	52	**900**	900
Currency translation difference	**(2)**	(3)	**–**	–
(Reversal)/allowance made (Note 8)	**(15)**	45	**–**	–
Allowance utilised	**–**	(67)	**–**	–
End of financial year (Note 14)	**10**	27	**900**	900

An allowance for impairment for trade and other receivables has been made to the profit or loss, as management determined the recoverability is low and payments are not forth coming.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities (Note 25). At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flow. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 2 to 5 years $'000	Over 5 years $'000
Group			
At 31 December 2014			
Trade and other payables	11,608	–	–
Borrowings	803	2,888	5,969
At 31 December 2013			
Trade and other payables	9,202	–	–
Borrowings	427	194	192
Company			
At 31 December 2014			
Trade and other payables	7,967	–	–
Borrowings	5,389	185	146
At 31 December 2013			
Trade and other payables	7,293	–	–
Borrowings	33	184	192

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks to maintain a gearing ratio of not exceeding 100% (2013: 100%). The Group's and the Company's strategies, which were unchanged from 2011, are to maintain gearing ratios within 100%.

The gearing ratio is calculated as net debts divided by total capital. Net debts is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (Continued)

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Net debt	**3,942**	–	**8,396**	–
Total equity	**21,553**	30,460	**20,498**	28,427
Total capital	**25,495**	30,460	**28,894**	28,427
Gearing ratio	**15%**	NM*	**29%**	NM*

* NM: Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2013 and 2014.

(e) Fair value measurements

The available-for-sale financial assets are carried at cost less impairment loss. The management is of the opinion that these financial assets are not exposed to financial risk arising from fair value measurements.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximate their fair values.

The carrying amount of the different categories of financial instruments is as disclosed on the face on the balance sheet except for the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables	**23,690**	24,398	**12,372**	12,005
Financial liabilities at amortised cost	**19,371**	9,966	**13,649**	7,654

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

35. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group	
	2014	2013
	$'000	$'000
Sale of goods to an entity related by common shareholder	**150**	–
Rental expense from entities related by common shareholder	**–**	(55)

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2014, arising from sale/ purchase of goods and services, are unsecured and receivable/ payable within 12 months from balance sheet date are disclosed in Notes 14 and 24 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Wages and salaries	**1,945**	2,586	**842**	1,638
Employer's contribution to defined contribution plans, including Central Provident Fund	**74**	116	**30**	56
Directors' fees	**135**	135	**135**	135
	2,154	2,837	**1,007**	1,829
Analysed as:				
Directors of the Company	**650**	1,707	**650**	1,400
Other key management personnel	**1,504**	1,130	**357**	429
	2,154	2,837	**1,007**	1,829

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Board of Directors and the heads of each business within each primary geographic segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the four primary geographic areas namely, Singapore, China, Indonesia and Malaysia. All these areas are engaged in the manufacture and sale of polymeric components and compound rubber and precision molded rubber parts and components.

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into controlling business units ("CBU") based on their products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

(1) The *Office Automation* ("OA") segment manufactures and distributes polymeric components, polymeric die-cutting services and precision turned parts for the office automation end products including printers, copiers, electronic devices, computers, note books and peripheral accessories.

(2) The *Lifestyle Products* ("LP") segment manufactures and distributes compound rubber and precision molded rubber parts and components for the consumer and lifestyle products including household electrical appliances, consumer electronic devices, vibration control components and peripheral accessories.

(3) The *Energy/Power* ("EP") segment procures, assembles and installs fuel cell systems in commercial and other buildings for the generation of electricity and production of synthetic diesel in Singapore.

(4) The *Corporate* ("IH") segment is involved in Group level corporate services, treasury functions and investments. It derives its income substantially from inter-company transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION (CONTINUED)

	OA $'000	LP $'000	EP $'000	IH $'000	Group $'000
2014					
Sales					
Total sales segment	17,563	–	–	–	17,563
Inter-segment sales	(2,035)	–	–	–	(2,035)
Sales to external parties	15,528	–	–	–	15,528
Adjusted EBITDA	(12)	1,233	(802)	(1,394)	(975)
Depreciation	(143)	(569)	(4)	(116)	(832)
ORBIT	(155)	664	(806)	(1,510)	(1,807)
Finance costs	–	(37)	(49)	(45)	(131)
Other items	160	(117)	(75)	(4,423)	(4,455)
Loss before tax from operations					(6,393)
Income tax expense					(468)
Loss from operations					(6,861)
Segment assets	310	8,306	3,740	13,557	25,913
Segment assets includes:					
Investment in associated company	–	–	–	60	60
Additions to:					
– plant and equipment	–	732	15	7	754
– assets under construction	–	–	3,622	2,338	5,960
Segment liabilities	(23)	(1,876)	(4,456)	(5,335)	(11,690)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION (CONTINUED)

	OA $'000	LP $'000	IH $'000	Group $'000
2013				
Sales				
Total sales segment	1,852	15,487	–	17,339
Inter-segment sales	(23)	(6)	–	(29)
Sales to external parties	1,829	15,481	–	17,310
Adjusted EBITDA	152	2,010	(2,576)	(414)
Depreciation	(139)	(631)	(94)	(864)
ORBIT	13	1,379	(2,670)	(1,278)
Finance costs	–	(22)	(12)	(34)
Other items	143	(50)	(17)	76
Loss before tax from operations				(1,236)
Income tax expense				(495)
Loss from operations				(1,731)
Segment assets	1,337	7,953	13,587	22,677
Segment assets includes:				
Investment in associated company	–	–	60	60
Additions to plant and equipment	1	243	471	715
Segment liabilities	(166)	(1,783)	(7,305)	(9,254)

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, amortisation, interests and income taxes and other items (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other items (called "ORBIT").

No separate segmental assets and liabilities by segment business are presented as management is of the opinion that it is impracticable to separate assets and liabilities for each business segment. Additionally, the measurement of total assets and liabilities for each reportable segment is not used by the Board of Directors when making operating decisions about allocating resources to the business segment and assessing its performance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliations

(i) Segment assets

The amounts reported to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than cash and cash equivalents.

Segment assets are reconciled to total assets as follows:

	2014	2013
	$'000	$'000
Segment assets for reportable segments	**25,913**	22,677
Unallocated:		
Cash and cash equivalents	**15,429**	18,261
	41,342	40,938

(ii) Segment liabilities

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than current income tax liabilities, borrowings and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2014	2013
	$'000	$'000
Segment liabilities for reportable segments	**11,690**	9,254
Unallocated:		
Current income tax liabilities	**166**	190
Borrowings	**7,763**	764
Deferred income tax liabilities	**170**	270
	19,789	10,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION (CONTINUED)

(b) Revenue from major products and services

Revenues from external customers are derived mainly from the sale of polymeric components and polymeric die-cutting services and sale of compound rubber and precision molded rubber parts and components. Breakdown of the revenue is as follows:–

	Group	
	2014	2013
	$'000	$'000
Sales from continuing operations		
Office automation	**–**	1,829
Lifestyle products	**15,528**	15,481
	15,528	17,310

(c) Geographical information

The Group's three business segments operate in five main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the precision elastomeric moulding of rubber components, precision polymeric die-cutting of foams and other materials and investment holding.
- China – the operations in this area are principally the precision elastomeric moulding of rubber components.
- Malaysia – the operations in this area are principally the precision elastomeric moulding of rubber components.
- Indonesia – the operations in this area are principally the precision elastomeric moulding of rubber components.
- Other countries – the operations in this area are principally the property developer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (Continued)

	Sales from continuing operations	
	2014	2013
	$'000	$'000
Singapore	**2,424**	4,384
China	**2,397**	2,294
Malaysia	**7,320**	6,826
Indonesia	**3,387**	3,806
	15,528	17,310

	Non-current assets	
	2014	2013
	$'000	$'000
Singapore	**14,011**	845
China	**452**	553
Malaysia	**1,118**	1,405
Indonesia	**526**	123
	16,107	2,926

Revenues of $2,032,000 (2013: $2,680,000) are derived from a single external customer. These revenues are attributable to the Malaysia precision elastomeric moulding of rubber components segment.

37. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(i) Disposal of power generation system in Myanmar to Tembusu Industries Pte. Ltd.

On 17 February 2015, the Company has entered into a Sale and Purchase agreement with Tembusu Industries Pte Ltd for the sale of the power generation system ("PGS") in Myanmar for a cash consideration of US$2.214 million ("the consideration"). The consideration shall be paid via a deposit of US$0.4 million and a final payment of US$1.814 million.

The proposed disposal is expected to be completed on or about 17 April 2015.

(ii) Intention to transfer listing from the main board of the Singapore Exchange Securities Limited to the catalyst sponsored regime

On 4 March 2015, the Board of Directors of Sinjia Land Limited (the "Company", and together with its subsidiaries, the "Group") announced that the Company intends to undertake the proposed transfer (the "Proposed Transfer") of the listing of the Company from the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") to the Catalist Board of the SGX-ST (the "Catalist").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

37. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE (CONTINUED)

(ii) Intention to transfer listing from the main board of the Singapore Exchange Securities Limited to the catalyst sponsored regime (Continued)

The Board believes that the Proposed Transfer will provide the Company with a more suitable platform for the listing and trading of the shares of the Company (the "Shares") as the Catalist provides a more conducive listing platform for companies who require a flexible regulatory system to float their shares. The Board of Directors is of the view that the Proposed Transfer and listing on the Catalist will position the Company appropriately and better allow the Company to attract investors in the future. In addition, the Board of Directors believes that the business, market capitalisation and risk profile of the Group better resemble that of the companies on the Catalist.

An application to the SGX-ST in relation to the Proposed Transfer was made on 27 February 2015. An appropriate announcement on the outcome of the application will be made in due course. The Company will also update the shareholders of the Company (the "Shareholders") as and when there are any material developments in respect of the Proposed Transfer.

On 12 March 2015, SGX-ST has today granted its approval-in-principle for the Proposed Transfer.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

- Amendments to FRS 19: Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014)
- Amendments to FRS 103: Business Combinations (effective for annual periods beginning on or after 1 July 2014)
- Amendments to FRS 108: Operating Segments (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 16: Property, Plant and Equipment (effective for annual periods beginning on or after 1 July 2014)
- Amendment to FRS 24: Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)
- Amendments to FRS 113: Fair Value Measurement (effective for annual periods beginning on or after 1 July 2014)
- FRS 114: Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 27: Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)
- Amendments to FRS 107: Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 19: Employee Benefits (effective for annual periods beginning on or after 1 January 2016)
- Amendment to FRS 34: Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2016)

The management anticipates that the adoption of the above FRS and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Sinjia Land Limited and its subsidiaries on 6 April 2015.

STATISTICS OF SHAREHOLDINGS

AS AT 20 MARCH 2015

Issued and fully paid capital	:	$23,384,418	
Number of issued shares (excluding treasury shares)	:	140,659,920	
Number of treasury shares	:	14,978,000	10.6%
Class of shares	:	Ordinary shares	
Voting rights	:	One vote per share	

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.10	80	0.00
100 – 1,000	49	4.72	47,000	0.03
1,001 – 10,000	472	45.47	3,329,060	2.37
10,001 – 1,000,000	498	47.98	26,906,100	19.13
1,000,001 AND ABOVE	18	1.73	110,377,680	78.47
TOTAL	**1,038**	**100.00**	**140,659,920**	**100.00**

Shareholding held by the public

Based on the information available to the Company as at 20 March 2015, approximately 66.06% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Substantial shareholders

NAME OF SHAREHOLDERS	DIRECT INTEREST NO. OF SHARES	% OF SHARES	DEEMED INTEREST	% OF SHARES
China Infrastructures Global Investment Capital Limited[1]	nil	nil	36,000,000	25.59
Ang Kong Meng	9,655,000	6.86	nil	nil

Notes:–

(1) The deemed interest of China Infrastructures Global Investment Capital Limited arises from shares held by his nominee, Maybank Kim Eng Securities Pte Ltd.

STATISTICS OF SHAREHOLDINGS
AS AT 20 MARCH 2015

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MAYBANK KIM ENG SECURITIES PTE. LTD.	44,398,000	31.56
2	RHB SECURITIES SINGAPORE PTE. LTD.	12,670,900	9.01
3	CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,065,000	5.02
4	ANG KONG MENG	6,655,000	4.73
5	OCBC SECURITIES PRIVATE LIMITED	5,258,500	3.74
6	LAU CHEE HEONG (LIU ZHIXIONG)	5,191,900	3.69
7	LIM CHIANG CHUEN	4,473,800	3.18
8	RAFFLES NOMINEES (PTE) LIMITED	4,278,800	3.04
9	LIM CHIANG KIAT	4,050,000	2.88
10	HONG LEONG FINANCE NOMINEES PTE LTD	3,000,000	2.13
11	ANG POH LIAN JEANIE	2,435,000	1.73
12	TAN JIANYOU	2,212,000	1.57
13	CHEONG WEIXIONG (ZHANG WEIXIONG)	2,061,000	1.47
14	LEE ENG YEW	1,698,000	1.21
15	SHI XIAOPING	1,325,000	0.94
16	DBS NOMINEES (PRIVATE) LIMITED	1,324,000	0.94
17	WA KOK LIANG	1,183,780	0.84
18	PHILLIP SECURITIES PTE LTD	1,097,000	0.78
19	LIM PECK LAN	785,000	0.56
20	ONN ENG SIONG (WENG YONGXIONG)	662,000	0.47
	TOTAL	**111,824,680**	**79.49**

NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of the members of the Company will be held at 7 Temasek Boulevard, The Penthouse, Pinnacle Suite, #44-01 Suntec Tower One, Singapore 038987 on 30 April 2015 at 2:30 p.m. for the purpose considering, and if thought fit, passing the following ordinary resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company and the Reports of the Directors and Auditors for the year ended 31 December 2014. Resolution 1

2. To re-elect Mr Li Anhua who is retiring in accordance with Article 115 of the Company's Articles of Association, as Director of the Company. Resolution 2

   Note: Mr Li Anhua shall, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nominating Committee. Mr Li Anhua shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. To approve the Directors' fees of S$157,500 for the year ended 31 December 2014. Resolution 3

4. To re-appoint Nexia TS Public Accounting Corporation as the Auditors for the ensuing year and to authorise the Directors to fix their remuneration. Resolution 4

AS SPECIAL BUSINESS

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

5. Proposed Share Issue Mandate

"That pursuant to Section 161 of the Companies Act, Cap. 50. and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorized and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

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

NOTICE OF AGM

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below); Resolution 5

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

   (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier." [See Explanatory Note (i)]

NOTICE OF AGM

6. Authority to grant awards and to allot and issue shares pursuant to the Sinjia Land Limited Performance Share Plan Resolution 6

"That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Sinjia Land Limited Performance Share Plan ("the Plan") and allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the Plan provided that the aggregate number of shares to be allotted and issued pursuant to the Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time." [See Explanatory Note (ii)]

7. And to transact any other business which may be properly transacted at an Annual General Meeting.

Explanatory Notes:

(i) The proposed Resolution 5, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities, which the Directors may allot and issue under this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares of the Company at the time of passing this Resolution. For allotment and issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be allotted and issued shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting.

(ii) The proposed Resolution 6, if passed, will empower the Directors of the Company to grant awards and to issue and allot shares in the capital of the Company pursuant to the SINJIA Land Limited Performance Share Plan ("the Plan"). The grant of awards under the Plan will be made in accordance with the provisions of the Plan. The aggregate number of shares which may be issued pursuant to the Plan is limited to 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company.

By Order of the Board

SEAH KIM SWEE
Secretary

Date: 13 April 2015

NOTICE OF AGM

Notes:

a) A Shareholder of the Company entitled to attend and vote at this meeting may appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.

b) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 229 Mountbatten Road, #03-31/32 Mountbatten Square, Singapore 398007 not less than 48 hours before the meeting.

c) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

d) In the case of joint shareholders, all holders must sign the form of proxy.

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

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SINJIA LAND limited

Incorporated in Singapore on 26 February 2004
(Registration Number: 200402180C)

IMPORTANT

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy form is, therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

*I/We ____

of ____

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

Name	Address	*NRIC/Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

and/or (delete as appropriate)

Name	Address	*NRIC/Passport Number	Proportion of Shareholdings to be represented by proxy	
			Number of Shares	%

as *my/our proxy/proxies to vote for *me/us/on my/our behalf at the 2015 Annual General Meeting of the Company to be held on 30 April 2015 at 2:30 p.m. at 7 Temasek Boulevard, The Penthouse, Pinnacle Suite, #44-01 Suntec Tower One, Singapore 038987 and at any adjournment thereof.

* I/We direct *my/our proxy/proxies to vote for or against the Ordinary Resolutions proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to the voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Resolutions	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2014		
2	Re-election of Mr Li Anhua as Director		
3	Approval of Directors' fees for the year ended 31 December 2014		
4	Re-appointment of Nexia TS Public Accounting Corporation as Auditors and authorise the directors to fix their remuneration		
5	Proposed Share Issue Mandate		
6	Authority to grant awards and to allot and issue shares in accordance with the provisions of the Sinjia Land Limited Performance Share Plan		

Dated this ________________ day of ________________ 2015

Total number of Shares in:	
(a) CDP register	
(b) Register of members	

____

Signature(s) of member(s) or common seal of Corporate Shareholder

* Please delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTES:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints more than one proxy, he/she shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A proxy need not be a member of the Company.

4. 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, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

5. The instrument appointing a proxy or proxies, must be deposited at the registered office of the Company at 229 Mountbatten Road, 03-31/32 Mountbatten Square, Singapore 398007 not later than 48 hours before the time set for the Annual General Meeting.

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

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

8. A corporation which is a shareholder of the Company may, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2015.

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Designed and produced by
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星嘉源
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