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SINJIA LAND limited

ANNUAL REPORT 2015

KEEPING FOCUS STAYING RESILIENT

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Bernard Lui.
Telephone number: (65) 6389 3000.
Email address: bernard.lui@morganlewis.com

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 Singapore Exchange Securities Trading Limited ("SGX-ST") Catalist (formerly "SESDAQ") on 25 November 2005 and subsequently upgraded to the SGX-ST Main Board on 22 January 2008. SINJIA transferred from the SGX-ST Main Board to the SGX-ST Catalist, the sponsor-supervised listing platform of SGX-ST on 8 May 2015.

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

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

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

OUR 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.

OUR 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.

MESSAGE TO SHAREHOLDERS

SINJIA will continue to explore new business opportunities and further develop existing businesses.

LEFT: **MR CHEONG WEIXIONG, JEFF**
GROUP CHIEF EXECUTIVE OFFICER

RIGHT: **MR LI ANHUA**
NON-EXECUTIVE CHAIRMAN

Dear Shareholders,

FY2015 was an extremely challenging year for the Group's elastomeric parts and components manufacturing business. The economies of our key markets of Singapore, Malaysia, Indonesia and the People's Republic of China ("PRC") faced a slowdown against a backdrop of global economic uncertainties.

While the increase in our operational efficiency and the effectiveness of our cost control initiatives kept the production side lean, sales revenue was almost unchanged from the previous year. Demand from customers was lacklustre, and competition was intense. Revenue was also affected by the decline in the Indonesian Rupiah and Malaysian Ringgit against the Singapore Dollar.

During the year in review, we continued to work hard to increase the revenue and profitability of our existing manufacturing business. We reviewed the work processes and cost structures in each country of operation and held workshops with the respective country managers to implement efficiency and cost improvements. We also held workshops with our sales representatives for a detailed study of the market for our products and the actions required to boost the top line.

ROADMAP TO SUSTAINABLE GROWTH

Sinjia Land Limited ("Sinjia") was transferred to the SGX-ST Catalist on 8 May 2015 to make it more conducive for us to conduct our business and free up precious resources otherwise used for maintaining a Mainboard listing. Retaining the stock code 5HH, Sinjia appointed Stamford Corporate Services Pte. Ltd. to act as its continuing Sponsor.

In a bid to diversify and enhance our earnings stream, we undertook several initiatives to position the Group for sustainable long-term growth and shareholder value.

FORAY INTO THE HOSPITALITY BUSINESS

On 28 December 2015, the Group entered into a conditional sale and purchase agreement to acquire 240,000 ordinary shares representing 80% of the issued and paid-up capital of G4 Station Pte Ltd ("G4"), a Singapore-based hostel management company, for a consideration of $664,000.

Having been in operation since 2009, G4 has an established track record in the economy class hotel management industry, by managing G4 Station Backpacker Hostels with a total of 23 rooms and 29 beds. The Company will seek approval from shareholders for the proposed acquisition at an Extraordinary General Meeting ("EGM") to be held, on a date to be announced.

INVESTMENT IN ASIA LONG SHORT FUND

To enable the Group to achieve better returns for its cash reserves, the Group, on 4 March 2016, announced plans to subscribe for 20,000 "SGD Class A" redeemable participating shares in the Asia Long Short Fund (the "Fund") managed by Fortune Capital Management Pte Ltd, for a total subscription amount of $2 million.

The investment objective of the Fund is to achieve long term capital growth through investments in publicly traded equities of listed companies in recognised stock exchanges, whose revenue is derived substantially from business operations in Asia.

We recognise the value proposition of the Fund's strategy, and following a review of the Fund's historical performance and the historical performance of the Manager, believe that it is in the interest of the Group to undertake the Investment. Our investment also provides the Company with an opportunity to deploy funds into a vehicle that invests in quoted securities for better returns.

OUTLOOK FOR THE YEAR AHEAD

FY2016 will continue to be a challenging business environment for the Group's core manufacturing business as we tackle the rising cost pressures due to the increase in minimum wages in countries such as Indonesia, Malaysia and PRC.

Given the uncertain global economic outlook, our business strategy will be to stay lean and cash flow positive even as we make continual efforts to increase revenue and improve the profitability of our core business. We will also be on the lookout for new and viable business opportunities to enhance our earnings stream.

We have a strong balance sheet with cash and cash equivalents of $10.13 million that enables us to be resilient for the current challenging business environment and to have the liquidity to exploit new business opportunities that can add to the Group's growth prospects. Our priority would be to adopt a low-risk and incremental approach in turning Sinjia into a Company with long term sustainable growth and good shareholder value. We are optimistic that this approach will yield positive results for the year ahead.

ACKNOWLEDGEMENTS

We would like to take this opportunity to thank our shareholders, business partners and associates for their continued support and trust. Our deepest appreciation to our management and staff for their hard work and commitment, and to our Directors on the Board, thank you for your wise counsel and valuable contributions.

LI ANHUA
Non-Executive Chairman

CHEONG WEIXIONG, JEFF
Group Chief Executive Officer

FINANCIAL AND BUSINESS REVIEW

BUSINESS REVIEW

For the twelve months ended 31 December 2015 ("FY2015"), the Group's primary business continued to be 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, 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.

In terms of geographical spread, Malaysia accounted for 47% of revenue, followed by Singapore with a 21% contribution to revenue. PRC contributed 17% of revenue while Indonesia accounted for the remaining 15%. The difference in revenue was partly attributed to the difference in products and services for each country.

On 27 April 2015, the Group announced that it had completed the sale of its power generation system equipment in Myanmar to Tembusu Industries Pte Ltd and the full amount of the consideration of USD2.214 million has been received.

In FY2015, the Group closed down two business units in Hong Kong and Malaysia respectively and classified the energy/power segment as discontinued operations in FY2015 and reported a loss attributable to owners of $64,000.

FINANCIAL REVIEW

Financial performance

The Group's revenue in FY2015 was $15.31 million, a 1.4% decline from $15.53 million. Goods and services are sold in the local currency in each of our markets, but converted into Singapore dollar ("SGD") for the financial statement. Due to the volatility and the decline of the Malaysian Ringgit ("MYR") and Indonesian Rupiah("IDR") against the SGD in FY2015, the Group's revenue was affected negatively.

The revenue from the elastomeric business unit in Malaysia increased by 8.7%. However, due to the depreciation of the MYR against the SGD, the revenue from Malaysia, when reported in SGD, dipped by 0.9%.

Gross profit in FY2015 grew by 2.6% to $5.09 million on the back of lower manufacturing expenses and higher gross margin recorded. Gross profit margin was healthy and increased from 32.0% for FY2014 to 33.3% for FY2015 due to reasons stated above. However the business environment for the Group's business was extremely challenging, and it was difficult to increase the volume of sales for our products.

Distribution costs and administrative expenses increased by 10.4% in FY2015 to $6.76 million mainly due to the increase of staff-related costs, depreciation, legal fees, rental fee, ERM implementation fee and repair & maintenance expenses.

Event subsequent to financial period of reporting twelve months ended 31 December 2015 in relation to the disposal of Greatly Holdings Investment Limited.

On 15 January 2016, the Board updated that Mr. Tan Jian You (the "Purchaser") made part-payment of the consideration for completion by way of the transfer of 1,120,000 and 6,704,000 quoted securities in Abterra Ltd (the "Listed Shares"), a company listed on the Main Board of the SGX-ST on 31 July 2015 and 21 August 2015 respectively. The Company and the Purchaser agreed that the valuation of the Listed Shares would be based on its closing price as at 11 January 2016. Based on the closing price of the Listed Shares, and the SGD-Renminbi ("RMB") exchange rate as at 14 January 2016, (the day before the Group's announcement on SGX-ST), an amount of approximately $3,286,080 has been settled with regard to the Sale and Purchase Agreement for Greatly Holdings Investment Limited.

FINANCIAL POSITION

Non-current Assets

As at 31 December 2015, the total non-current assets of the Group increased by $0.13 million to $16.24 million compared to $16.11 million in the year-ago period. This was mainly due to the partial reversal of reclassification of the investment of Tianjin Swan Lake ("TJSL") of $3.45 million which was previously grouped as disposal group classified as held for sale. The

Company received the partial payment the Purchaser by way of the transfer of 1,120,000 and 6,704,000 quoted securities in the Listed Shares on 31 July 2015 and 21 August 2015 respectively.

The depreciation of plant and equipment of $0.96 million, plant and equipment written off of $0.01 million and the foreign currency translation loss for plant and equipment in overseas operations of $141,000 was offset by the purchase of new plant and equipment of $1.87 million and gain on disposal of plant and equipment of $0.56 million.

Current Assets

The Group's current assets amounted to $21.02 million as at 31 December 2015, a decrease of $4.22 million compared to the previous year. Inventories decreased by $95,000 and trade and other receivables decreased by $2.23 million due to better cash flow management by the elastomeric business unit.

Cash and cash equivalents decreased by $5.30 million mainly due to the payment for finance leases & borrowings of $8.03 million, purchase of new plant and equipment assets under construction of $1.83 million offset against the new increase of bank borrowings of $1.21 million and cash inflow for disposal of plant and equipment $3.05 million.

Total Liabilities

Total liabilities of the Group as at 31 December 2015 decreased by $3.92 million to $15.87 million compared to $19.79 million as at 31 December 2014. During the period, the Group had repaid its bank borrowings of approximately $8.03 million offset against the additional borrowings of $1.21 million. The Group had also paid the income tax of $0.66 million.

Trade and other payables of $13.11 million was recorded as at 31 December 2015, an increase of $1.50 million mainly due to partial payment received from the purchaser for the disposal of TJSL.

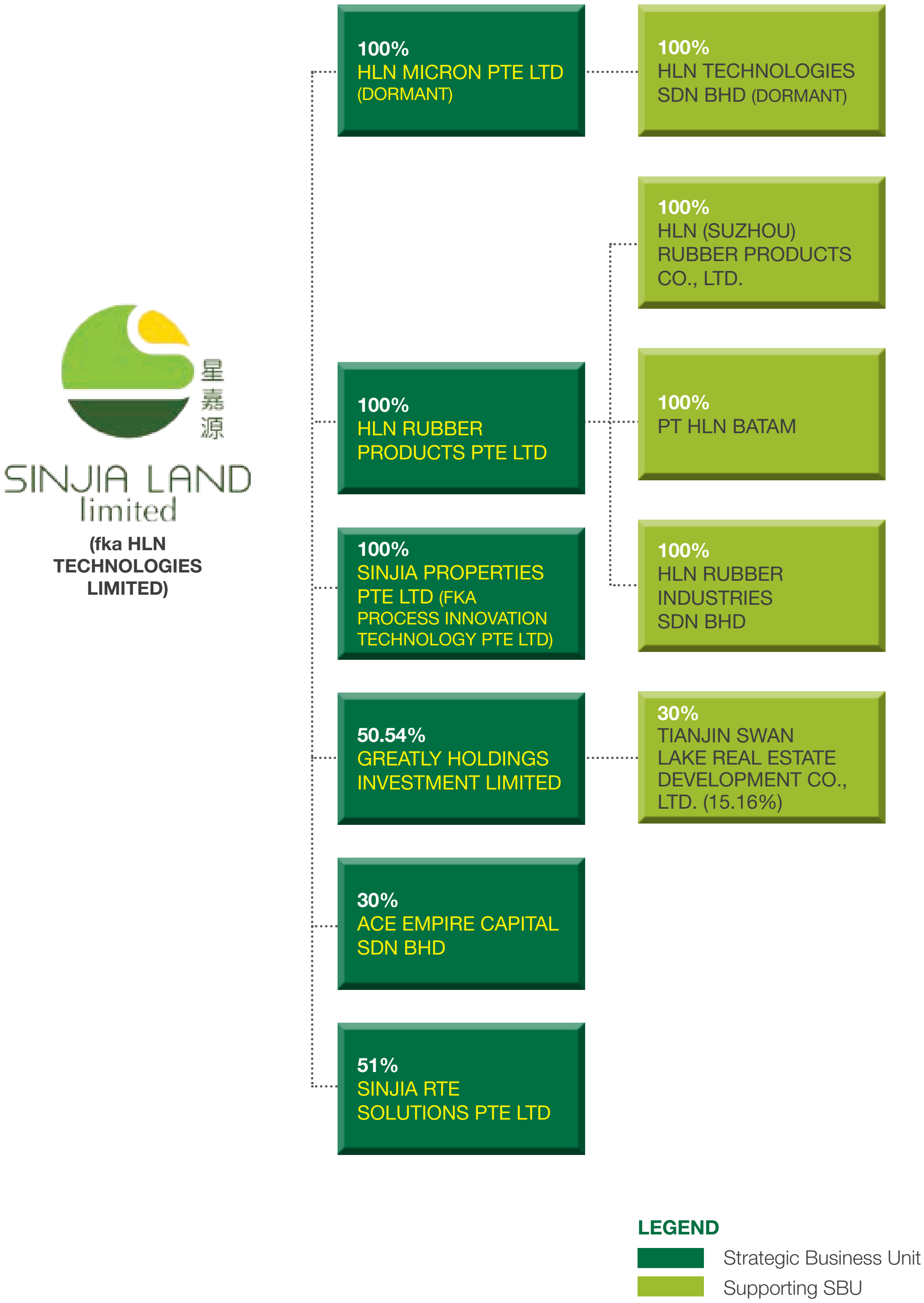
Deferred tax as at 31 December 2015 decreased by $0.11 million mainly due to the foreign currency translation gain in overseas operations.

Total Equity

Total equity decreased by $0.17 million to $21.38 million as at 31 December 2015, from $21.55 million a year earlier. While retained earnings decreased by $2.53 million during the year, the increase in losses from foreign currency translation reserve which was mainly due to the depreciation of the MYR & IDR against SGD and the appreciation of the RMB against SGD and loss attributable to non-controlling interest reduced the effect of higher retained earnings on total equity.

Based on the share capital of approximately 140.7 million shares, the Group's net asset value per ordinary share decreased 1.7% to 15.92 cents as at 31 December 2015.

GROUP STRUCTURE



BOARD OF DIRECTORS

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 2015.

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.

BOARD OF DIRECTORS

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, has been an Executive Director of our 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 did not seek re-election at the Annual General Meeting held on 28 April 2014. He stepped down as Executive Director and Group's Acting Chief Operating Officer. He was appointed as the Group Managing Director of the Elastomeric Group effective on 29 April 2014.

On 19 June 2015, Mr Ng was re-designated as the Business Development Director of the Elastomeric Group. He remained as a director of the subsidiaries, namely HLN Rubber Products Pte Ltd ("HRP"), HLN Rubber Industries Sdn Bhd ("HRI"), HLN Micron Pte Ltd ("HLM") and Sinjia Properties Pte Ltd ("SP").

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 National Productivity Board Institute for Productivity Training of Singapore and a Degree of Master of Business Administration from the University of Adelaide.

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 Singapore. He is responsible for the general and operations management of HRP. Mr Tan joined our Group on 12 February 2007 as a Deputy General Manager and was promoted to General Manager of Elastomeric Group on 1st September 2007. Mr Tan has more than 17 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 manufacturers between 1991 to 2000. Mr Tan holds a Diploma in Chemical Process Technology from the Singapore Polytechnic in March 1988.

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.

KEY MANAGEMENT STAFF

MR SIM GIM HWEE, MELVIN

Mr Sim Gim Hwee, Melvin is the General Manager for Corporate Engineering of our Elastomeric Group. He is responsible for the Group engineering matters related to tools, materials and processes. 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 also served as a technical consultant to its operation in China. Mr Sim has more than 23 years of experience in keypad industry serving the consumer electronics, mobile devices, automotive, audio and video industries. Mr Sim 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 our Group on 24 February 2014. Mr Ngau is responsible for the regional sales development of the Elastomeric Group. Prior to joining our Group he was Regional Sales Manager of a UK company that specialized in bonding solution and adhesive components. His roles were mainly sales development activities that covered SEA and PRC. Before that he was with a leading producer of power products and interconnects solution where he managed the SEA markets of major key accounts. He has 15 years of experience in business development and program management. He holds a Degree in Social Science from University Science of Malaysia.

MR TAN YEOW MING, MARK

Mr Tan Yeow Ming, Mark is the Deputy General Manager of our Elastomeric Group in Suzhou, China. Mr. Tan joined the Group on 1 June 2015 and he is responsible for the operational management of HSR. Prior to joining the Group, he was an Operation Manager of Glocom Marketing Pte Ltd from 2013 to 2015, and has earlier worked in various companies as Sales and Marketing Manager in manufacturing companies from 1993 to 2012.

Mr Tan has more than 17 years of experience in rubber, die cut, stamping and plastic molding industry. He worked with Uniplas Enterprises Pte Ltd & its subsidiaries in Shanghai, Kunshan and Suzhou for 11 years in inmold decoration plastics molding. He holds a Diploma in Electrical Engineering from Ngee Ann Polytechnic.

MR TEW LAY KHONG, STANLEY

Mr Tew Lay Khong, Stanley is the Deputy General Manager of our Elastomeric Group in Johor, Malaysia. Mr Tew joined our Group in middle February 2016 and he is responsible for the operational management of HRI. Prior to joining the Group, he was the General Manager of Trend Technologies (Suzhou) Company Limited in China and TKR Singapore Pte. Ltd. He served multi-national manufacturing base customers in the past 28 years specialize in metal related products, including consumer electronics, computer peripherals, office automation, medical devices, industrial test equipment, server storage, banking devices and networking sector. He has strong leadership skills, hands on manufacturing experiences and plant management knowledge. He holds a Bachelor of Science major in Mathematics with Business.

MS LIM YEN NEE, ELICIA

Ms Lim Yen Nee, Elicia is the Assistant Group Human Resource Manager. She joined our Group on 5 June 2013 as Human Resource Executive and was promoted during July 2014. Ms Lim in partnership with internal stakeholders, develops and implements key change management strategies and services to improve employees and business performances. She is responsible for the regional operational delivery of human resources services and support to our Group of companies. Prior to joining our Group, she had worked with a company in the Telecommunication industry as Business Development Executive, overseeing the regional sales accounts. Ms Lim holds a Diploma in Business Management from University of Bradford, UK (in association with MDIS Business School, Singapore).

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

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#03-31/32 Mountbatten Square
Singapore 398007

SHARE REGISTRAR

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Singapore 048623

AUDITORS

NEXIA TS PUBLIC ACCOUNTING CORPORATION
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Director-In-Charge: Low See Lien
(Effective From Year Ended 31 December 2013)

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Facsimile: (65) 6224 7231

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HLN (SUZHOU) RUBBER PRODUCTS CO., LTD.
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People's Republic of China
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PT HLN BATAM
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Indonesia
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Facsimile: (62) 770 612 886

PROPERTY BUSINESS UNIT

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POWER & ENERGY UNIT

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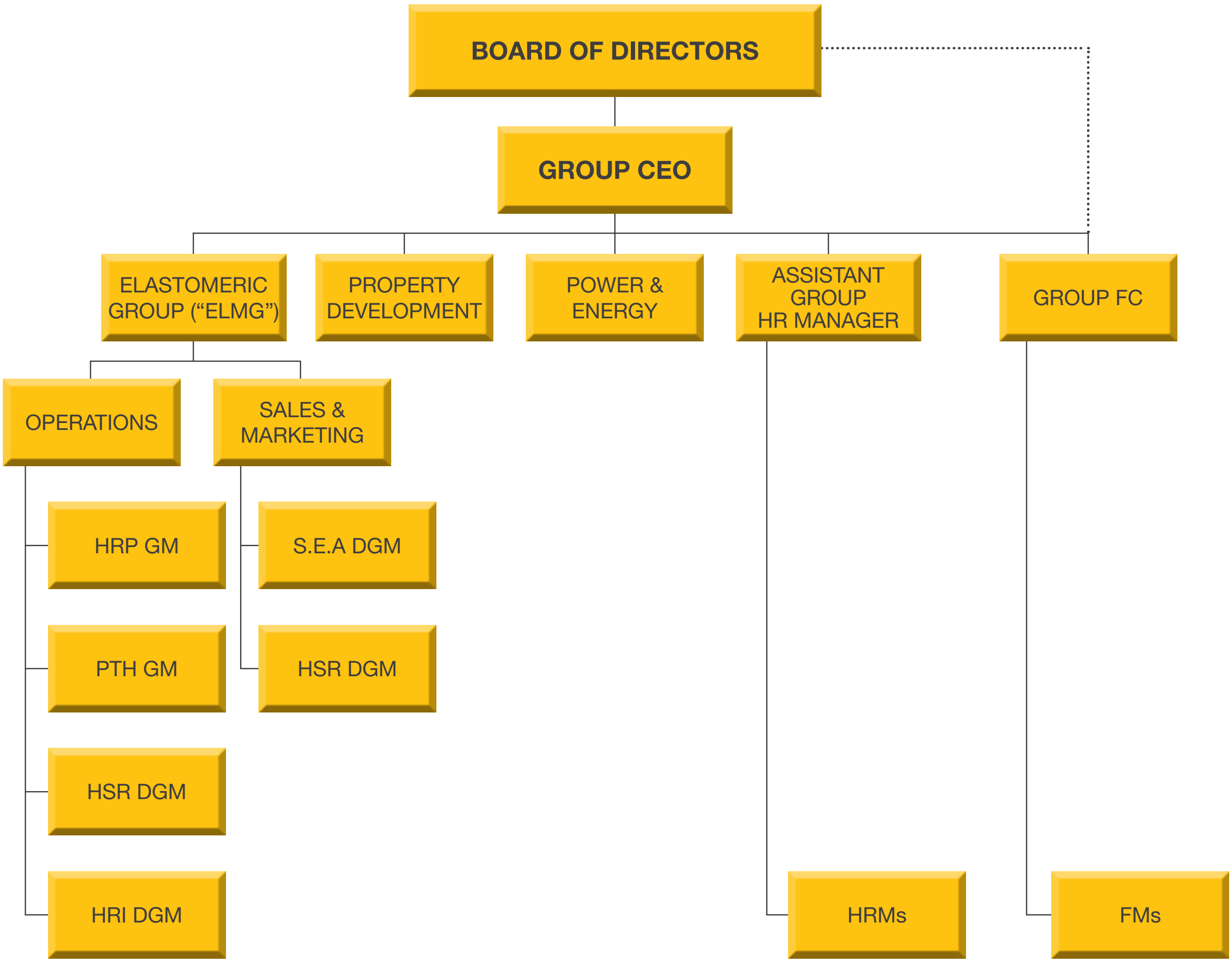
Singapore 398007
Telephone: (65) 6224 7320
Facsimile: (65) 6224 7231

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
HR – Human Resources
FMs – Finance Managers

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NOTICE OF AGM

PROXY FORM

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"). Deviation from the Code, if any, is explained. The Company also refers to the disclosure guide ("Disclosure Guide") issued by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015 and has incorporated answers to the questions set out in the Disclosure Guide in this report.

In compliance with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules"), the Company has appointed Stamford Corporate Services Pte. Ltd. (the "Sponsor") as its continuing Sponsor with effect from 8 May 2015.

BOARD MATTERS

The Board's Conduct of Affairs

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

As at the date of this report, the Board comprises one executive director and 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;

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; and

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

CORPORATE GOVERNANCE REPORT

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 FY2015 is as follows:

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS
(for the financial year ended 31 December 2015)

	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
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 Catalist Rules, Companies Act or changes to relevant laws, regulations and accounting standards from time to time.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

Independent directors make up the majority of the Board, with three out of the four Board members being non-executive and independent directors. The independence of each Director is assessed and reviewed at least annually by the NC. In its deliberation as to the independence of a Director, the NC takes into account examples of relationships as set out in the Code, considers whether a Director has and/or had business relationships with the Company or its related corporations, its 10% shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Group. The NC has reviewed, determined and confirmed the independence of the Independent Directors. Each independent director is also required to complete a Director's Independence Declaration annually to confirm his independence. For FY2015, the NC has determined that the three Directors, who are non-executive, are independent.

Currently, Mr Tang Chi Loong has served on the Board for more than nine years from the date of his first appointment. In view of the recommendation by the Code on progressive and timely renewal of the Board, Mr Tang Chi Loong, who is subject to retirement at the forthcoming Annual General Meeting, is not offering himself for re-election as a director of the Company.

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

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: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

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.

CORPORATE GOVERNANCE REPORT

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.

The Independent Directors meet on a need-to basis amongst themselves and with the Company's external auditors and internal auditors without the presence of Management to discuss matters such as the Group's financial performance, corporate governance and risk management initiatives, Board processes, any internal audit observations, succession planning as well as leadership development and the remuneration of Executive Directors, and thereafter feedbacks will be provided to the Chairman after such meetings.

Board Membership

Principle 4: There should be 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 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.

The duties of the NC are as follows:

a) The review of the composition and 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) The development of a process for evaluation of the performance of the Board, its board committees and directors;

c) The review of training and professional development programs for the Board;

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

e) Annual determination of directors' independence; and

f) Overseeing the management, development and succession plans for the directors, in particular the Chairman and the CEO.

The Constitution 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.

CORPORATE GOVERNANCE REPORT

In recommending a Director for re-election to the Board, the NC considers, inter alia, his/her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs).

The Company adopts a comprehensive and detailed process in the selection of new Directors. Candidates will be first sourced through an extensive network of contracts and selected based on, inter alia, the needs of the Group and the relevant expertise required. When necessary, the NC may seek the help of external consultant(s) in the search process. In selecting suitable candidates, the Board, in consultation with the NC, will consider the Group's strategic goals, business direction and needs. The Board will also consider gender diversity requirements in seeking any new appointment to the Board. The NC will conduct interviews with the candidates, and nominate the candidate deemed most suitable for appointment to the Board.

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 representations, 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 the Directors' qualifications and experience are presented in this Annual Report under the heading "Board of Directors" on pages 7 to 8. The dates of initial appointment and last re-election of each director, together with their directorship in other listed companies are set out below:

Name of Director	Date of first appointment	Date of last re-election	Present directorships and chairmanships in other listed companies	Directorships and chairmanships in other listed companies over the preceding three years
Li Anhua	13 August 2009	30 April 2015	Nil	Nil
Cheong Weixiong	4 August 2009	29 April 2013	Nil	Nil
Tang Chi Loong	14 September 2006	29 April 2013	Non-Executive and Independent Director, Chairman of Remuneration and Nominating Committees of Novo Group Limited	Nil
Lee Jim Teck, Edward	27 July 2011	28 April 2014	Nil	Nil

CORPORATE GOVERNANCE REPORT

Board Performance

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

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.

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 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.

For FY2015, all Directors are requested to complete a Board assessment checklist designed to seek their views on the various performance criteria set by the Board, so as to assess the overall performance and effectiveness of the Board. The checklists are completed and submitted to the Company Secretary for collation and the consolidated responses are presented to the NC for review and discussion before making any recommendations to the Board. The NC has assessed the performance of the current Board's overall performance during the financial year under review, and is of the view that the performance of the Board as a whole has been satisfactory.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. Where relevant, the NC will consider such engagement.

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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 appointment and removal of the Company Secretary are subject to the approval of the Board.

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.

CORPORATE GOVERNANCE REPORT

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

The 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, has appropriate checks and balances to minimise potential conflict of interest.

The RC is established for the purpose of ensuring that there is a formal and transparent framework for determining the 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.

The Company has implemented a formal and transparent procedure in relation to executive remuneration and for determining the remuneration packages of individual Directors. The RC reviews and recommends to the Board a general framework of remuneration and specific remuneration packages for the Board and key management personnel, covering all aspects of remuneration including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted for endorsement by the entire Board. Each RC member does not participate in discussions, and abstains from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him.

CORPORATE GOVERNANCE REPORT

The RC will review the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. There are no termination or retirement benefits that are granted to the Directors.

Level and Mix of Remuneration

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

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.

The RC has agreed on a performance-based compensation package for the Executive Director. The remuneration structure for Executive Director is based on service contract which comprises a basic salary component and an annual incentive bonus which is pegged to the Group's financial and individual's performance.

The RC has adopted a framework to remunerate the Independent Directors based on their appointments and roles in respective committees and contributions to the Board and Company. The remuneration packages of Independent Directors comprise a basic director retainer fee and additional fees for appointment to Board Committees. While the remuneration frameworks are not subject to shareholders' approval, the directors' fees for Independent Directors will be subjected to the approval of shareholders at AGMs.

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 RC. 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 Group does not intend to incorporate contractual provisions in service contract to allow it to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Director owes a fiduciary duty to the Company, and the Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

Disclosure on Remuneration

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

CORPORATE GOVERNANCE REPORT

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 2015, 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	99%	1%	Nil	Nil	100%
Edward Lee Jim Teck	97%	3%	Nil	Nil	100%

(1) Director fees are payable in 2016 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 2015, 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	100%	Nil	Nil	100%
Below S$250,000				
Tan Chye Thiam, Kelvin	100%	Nil	Nil	100%
Ngau Duo Kiang, Jimmy	100%	Nil	Nil	100%
Sim Gim Hwee, Melvin	100%	Nil	Nil	100%
Chan Saw Yee, Joyce	100%	Nil	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) The aggregate remuneration paid to the top 5 executives for the year ended 31 December 2015 is approximately S$877,406.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2015 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.

Our Executive Director and key management personnel are entitled to, inter alia, a base salary and performance-related incentives linked to the financial performance of the Group and the individual's performance, which is assessed based on their respective key performance indicators allocated to them.

The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Group'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 management personnel, the Company has regarded the industry conditions in which the Group 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 interests of the Group and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

ACCOUNTABILITY AND AUDIT

Accountability

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

One of the Board's principal duties is to protect and enhance the long-term value and returns to the shareholders of the Company. The accountability of the Board to the shareholders is demonstrated through the presentation of the periodic financial statements, results announcements as well as timely announcements and/or news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial performance, position and prospects. In this respect, the AC reviews all financial statements and recommends them to the Board for approval.

In accordance with the Catalist Rules, the Board will provide a negative assurance statement in respect of the interim financial results announcements, to confirm that to the best of its knowledge, nothing has come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Group recognizes the importance of providing the Board with accurate and relevant information on a timely basis. Management also highlights key business indicators and major issues that are relevant to the Group's performance on an on-going basis in order for the Board to make a balanced and informed assessment of the Group's performance, financial performance, position and prospects as well as Management's achievements of the goals and objectives determined by the Board.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Controls

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

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in 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, the Company has engaged the internal auditors to develop a risk management policy and perform an Enterprise Risk Assessment exercise. The risk management policy is 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. In consultation with the internal auditors, the Group has developed and implemented the appropriate risk management procedures to address the key risks identified. All significant matters will be highlighted to the AC and the Board.

The AC will ensure that a review of the effectiveness of the Group's risk management policies and procedures and internal controls in addressing material risks, including financial, operational, compliance and information technology controls and risk management systems, are conducted annually. In this respect, the AC will review the audit plans and the findings of the external and internal auditors, and will ensure that Management follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

For FY2015, the Board has obtained assurance from the Group CEO 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 and effective in addressing the operational, financial and compliance risks faced by the Group under the current operating environment.

The Board notes, with the concurrence of the AC that the system of internal controls and risk management established by the Company provides reasonable and adequate, 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, compliance and information technology risks, were adequate and effective as at 31 December 2015.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

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 review of the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

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

c) The review of the scope and results of the external audit;

d) The review with external auditors, of the adequacy and effectiveness of the system of internal controls, the Management Letter and Management's response thereto;

e) 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;

f) The review of the independence and objectivity of the external auditors;

g) The making of recommendations on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

h) The review of the adequacy and effectiveness of the internal audit program including the scope and results of the internal audit;

i) The review of interested person transactions (as defined in Chapter 9 of the Catalist Rules);

CORPORATE GOVERNANCE REPORT

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

k) 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 officer 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 a review of all 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 64 of this Annual Report. The AC is satisfied with their independence and objectivity and has recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company.

The AC has met once with the external auditors, and with the internal auditors, without the presence of Management during the year. During the course of the year, the external auditors provide regular updates and briefings to the AC on changes to accounting standards and other financial issues to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements.

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. Details of the Whistle Blowing Policy has been 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.

Internal Audit

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

The Company outsources its internal audit function to a professional internal audit firm. The internal auditors ("IA") report directly to the AC Chairman and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions are reported to the AC Chairman periodically. The IA has unfettered access to all of the Company's documents, records, properties and personnel, including access to the AC.

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 the necessary co-operation to enable the IA to perform its function.

CORPORATE GOVERNANCE REPORT

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 adequately resourced, has appropriate standing within the Company and staffed by qualified and experienced personnel.

The IA completed one review during the financial year ended 31 December 2015 in accordance with the internal audit plan approved by the AC. The findings and recommendations of the IA, management's responses, and management's implementation of the recommendations have been reviewed and approved by the AC.

Shareholder Rights

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

The Company ensures that all material information is disclosed on a comprehensive and timely basis via SGXNET, in particular, information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

The Company's Constitution allows each shareholder to appoint up to two proxies to attend general meetings. On 3 January 2016, the legislation was amended, among other things, to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

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

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

In addition, the Company will engage 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.

CORPORATE GOVERNANCE REPORT

The Company does not have a fixed dividend policy at present. The frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. Taking into account the above factors, the Board has not recommended dividends to be paid in respect of FY2015.

Conduct of shareholder meetings

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

All shareholders of the Company receive the annual report of the company and notice of AGM within the mandatory period. The notice is also published in the local newspaper and made available on the SGXNET.

Participation of shareholders is encouraged at the Company's 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. The Company will make available minutes of general meetings to shareholders upon their written request.

All resolutions at general meetings of the Company will be put to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency. The results of the poll voting on each resolution tabled will be announced after the general meetings via SGXNET.

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 of Conduct was modeled on the best practices on dealings in securities in the Catalist Rules.

This Code of Conduct 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 of Conduct annually.

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

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

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

CORPORATE GOVERNANCE REPORT

In the Code of Conduct 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 Rule 1207(19) of the Catalist Rules in the reporting year ended 31 December 2015.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The AC will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of the Catalist Rules are complied with. 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 AC 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 2015.

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 2015.

APPOINTMENT OF AUDITORS

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the particular audit, the AC is of the view that Nexia TS Public Accounting Corporation is a suitable auditing firm for the purposes of Rule 712 of the Catalist Rules.

The Company has appointed the same auditing firm, Nexia TS Public Accounting Corporation, to audit its Singapore-incorporated subsidiaries. The AC is also of the view that the auditing firms engaged for its significant foreign-incorporated subsidiaries and associated companies are suitable for those purposes. Accordingly, the Group has complied with Rules 712, 715 and 716 of the Catalist Rules in relation to its auditors.

CATALIST SPONSOR

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Sponsor, Stamford Corporate Services Pte. Ltd. in FY2015.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet and statement of changes in equity of the Company as at 31 December 2015.

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 38 to 108 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year covered by the consolidated financial statements, 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.

Directors

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

Li Anhua
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 32 to 34 of this statement.

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 31.12.2015	At 01.01.2015	At 31.12.2015	At 01.01.2015
Company				
(No. of ordinary shares)				
Cheong Weixiong, Jeff	2,361,000	2,061,000	–	–
Tang Chi Loong	30,000	30,000	–	–

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Share options

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

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 subsidiary corporations.

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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2014 and 2015.

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 2015 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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

Li Anhua
Director

7 April 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINJIA LAND LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sinjia Land Limited ("the Company") and its subsidiary corporations ("the Group") set out on pages 38 to 108, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015 and 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 financial statements 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

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 financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations 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

7 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Continuing operations			
Revenue	4	15,304	15,528
Cost of sales		(10,211)	(10,565)
Gross profit		5,093	4,963
Other income	7	310	199
Other credits	8	710	762
Expenses			
– Distribution and marketing		(1,647)	(1,169)
– Administrative		(5,029)	(4,951)
– Finance	9	(285)	(85)
– Other charges	8	(327)	(5,144)
Loss before tax		(1,175)	(5,425)
Income tax expense	10	(784)	(468)
Loss from continuing operations		(1,959)	(5,893)
Discontinued operations			
Loss from discontinued operations	11	(1,132)	(968)
Total loss		(3,091)	(6,861)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Losses		(533)	(55)
Available-for-sale financial assets			
– Fair value gains	18	3,447	–
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit obligation re-measurement	27	6	–
Other comprehensive income/(loss), net of tax		2,920	(55)
Total comprehensive loss		(171)	(6,916)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Loss attributable to:			
Equity holders of the Company		(2,534)	(6,405)
Non-controlling interests		(557)	(456)
		(3,091)	(6,861)
Loss attributable to equity holders of the Company relates to:			
Loss from continuing operations		(1,959)	(5,893)
Loss from discontinued operations		(575)	(512)
		(2,534)	(6,405)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		386	(6,460)
Non-controlling interests		(557)	(456)
		(171)	(6,916)
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	(1.37)	(4.06)
From discontinued operations	12	(0.41)	(0.35)
		(1.78)	(4.41)

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

BALANCE SHEETS
AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
ASSETS					
Current assets					
Inventories	13	1,250	1,345	–	–
Trade and other receivables	14	5,541	7,683	5,433	6,157
Other current assets	15	768	778	69	84
Cash and cash equivalents	16	10,130	15,429	6,223	5,253
		17,689	25,235	11,725	11,494
Asset of disposal group classified as held-for-sale	17	3,327	–	3,069	–
		21,016	25,235	14,794	11,494
Non-current assets					
Available-for-sale financial assets	18	14,194	7,460	14,194	7,460
Other receivables	19	–	–	–	898
Investment in associated company	20	–	–	–	60
Investments in subsidiary corporations	21	–	–	11,396	11,556
Plant and equipment	22	2,045	2,687	223	341
Assets under construction	23	–	5,960	–	2,338
		16,239	16,107	25,813	22,653
Total assets		37,255	41,342	40,607	34,147
LIABILITIES					
Current liabilities					
Trade and other payables	24	13,111	11,608	11,517	7,967
Current income tax liabilities		377	166	–	–
Borrowings	25	284	803	5,763	5,389
		13,772	12,577	17,280	13,356
Liabilities directly associated with disposal group classified as held-for-sale	17	1,317	–	–	–
		15,089	12,577	17,280	13,356

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

BALANCE SHEETS
AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current liabilities					
Borrowings	25	581	6,960	581	293
Retirement benefit obligation	27	146	82	–	–
Deferred income tax liabilities	28	57	170	–	–
		784	7,212	581	293
Total liabilities		15,873	19,789	17,861	13,649
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)	(2,602)	(2,602)	(2,602)
Retained profits/(accumulated losses)		(85)	2,443	(1,113)	86
Other reserves	30	2,068	(846)	3,447	–
		22,395	22,009	22,746	20,498
Non-controlling interests		(1,013)	(456)	–	–
Total equity		21,382	21,553	22,746	20,498
Total equity and liabilities		37,255	41,342	40,607	34,147

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital	Treasury shares	Retained profits/ (Accumulated losses)	Other reserves	Total	Non-controlling interests	Total equity
		← Attributable to equity holders of the Company				→		
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
2015								
Beginning of financial year		**23,014**	**(2,602)**	**2,443**	**(846)**	**22,009**	**(456)**	**21,553**
Total loss for the year		**–**	**–**	**(2,534)**	**–**	**(2,534)**	**(557)**	**(3,091)**
Other comprehensive income for the year		**–**	**–**	**6**	**2,914**	**2,920**	**–**	**2,920**
End of financial year		**23,014**	**(2,602)**	**(85)**	**2,068**	**22,395**	**(1,013)**	**21,382**
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 loss for the year		–	–	(6,405)	–	(6,405)	(456)	(6,861)
Other comprehensive loss for the year		–	–	–	(55)	(55)	–	(55)
End of financial year		23,014	(2,602)	2,443	(846)	22,009	(456)	21,553
Company								
2015								
Beginning of financial year		**23,014**	**(2,602)**	**86**	**–**	**20,498**	**–**	**20,498**
Total comprehensive income for the year		**–**	**–**	**(1,199)**	**3,447**	**2,248**	**–**	**2,248**
End of financial year		**23,014**	**(2,602)**	**(1,113)**	**3,447**	**22,746**	**–**	**22,746**
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

* 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 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Total loss			
– From continuing operations		(1,959)	(5,893)
– From discontinued operations		(1,132)	(968)
		(3,091)	(6,861)
Adjustments for:			
– Income tax expense	10	784	468
– Depreciation of plant and equipment	22	961	832
– (Gain)/loss on disposal of plant and equipment	8	(564)	20
– Plant and equipment written-off	8	11	33
– Impairment loss on available-for-sale financial assets	8	–	4,661
– Impairment loss on assets of disposal group classified as held-for-sale	17	1,068	–
– Interest income	7	(310)	(199)
– Interest expense		214	131
– Amortisation of transaction costs	9	105	3
– Unrealised currency translation losses		(139)	(24)
Operating cash flows before working capital changes		(961)	(936)
Change in working capital:			
– Inventories		95	(82)
– Trade and other receivables		1,515	(1,953)
– Other current assets		1	(141)
– Trade and other payables and provisions		913	2,436
Cash flows generated from/(used in) operations		1,563	(676)
Income tax paid		(663)	(592)
Net cash provided by/(used in) operating activities		900	(1,268)
Cash flows from investing activities			
Additions to plant and equipment	22	(579)	(754)
Additions to assets under construction	23	(1,246)	(5,960)
Disposal of plant and equipment		3,004	90
Interest received		146	199
Net cash provided by/(used in) investing activities		1,325	(6,425)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
		$'000	$'000
Cash flows from financing activities			
Proceeds from borrowings		1,206	7,219
Purchase of treasury shares	29	–	(1,991)
Repayment of borrowings		(8,162)	(178)
Cash restricted in use		–	(4,500)
Release of cash restricted in use		4,500	–
Repayment of lease liabilities		(47)	(37)
Interests paid		(214)	(131)
Net cash (used in)/provided by financing activities		(2,717)	382
Net decrease in cash and cash equivalents		(492)	(7,311)
Cash and cash equivalents			
Beginning of financial year		10,897	18,229
Effects of currency translation on cash and cash equivalents		(272)	(21)
End of financial year	16	10,133	10,897

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited ("SGX-ST"). 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 subsidiary corporations 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 2015

On 1 January 2015, 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 108 Operating segments

The Group has adopted the above amendment to FRS 108 on 1 January 2015. The amendment is applicable for annual periods beginning on or after 1 July 2014. It sets out the required disclosures on the judgements made by management in aggregating operating segments. This includes description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to entity's assets when segment assets are reported.

The Group has included the additional required disclosures in Note 35 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations 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. Subsidiary corporations 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 subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation'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 corporation, 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 corporation 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 corporation 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

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.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation 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 subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies (continued)

(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.

(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.

(ii) 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 subsidiary corporations and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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	**2015**	**2014**
Leasehold improvements	3 years	10 years
Motor vehicles	5 years	5 years
Plant and equipment	3 to 10 years	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.

The Group changed the depreciation period for leasehold improvement from 10 years to 3 years as the Group has undergone major renovation of its properties every 2 to 5 years for the past 5 years. As such, useful life of 3 years for leasehold improvements is more appropriate and reflective. The change resulted in a $229,000 increase in annual depreciation charge for leasehold improvements.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment (continued)

(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)".

2.6 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 2.7) 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.

2.7 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.

2.8 Investments in subsidiary corporations and associated companies

Investments in subsidiary corporations 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.

2.9 Impairment of non-financial assets

Plant and equipment
Assets under construction
Investments in subsidiary corporations and associated companies

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (continued)

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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(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.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(e) Impairment (continued)

(ii) Loans and receivables (continued)

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.

(iii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(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.

2.11 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 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations 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 subsidiary corporations 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.

2.13 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.

2.14 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.

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Fair value estimation of financial assets and liabilities (continued)

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

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (continued)

(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.

2.17 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.

2.18 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 subsidiary corporations 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income taxes (continued)

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.

2.19 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.

2.20 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.

<u>People's Republic of China ("China")</u>

The subsidiary corporation, incorporated and operating in China, is required to provide certain retirement plan contribution to their employees under the China regulations. Contributions are provided at rates stipulated by China regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary corporation's employees. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution retirement plans are recognised as expenses in the period in which the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee compensation (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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 and have been rounded to the nearest thousand ($'000) unless otherwise stated.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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.

2.23 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.

2.24 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.

2.25 Dividends to Company's shareholders

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

2.26 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 corporation acquired exclusively with a view to resale.

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 $125,000 (2014: $134,500).

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

3.1 Critical accounting estimates and assumptions (continued)

(b) Allowance for impairment of trade and other 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 $274,000 (2014: $384,000).

(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 plant and machinery at balance sheet date are disclosed in Note 22.

If the actual lives of these plant and machinery differ by 1 year from management estimates, the carrying amount of the plant and machinery will increase by $93,000 (2014: $114,878) or decrease by $115,000 (2014: $142,748) respectively.

4. REVENUE

	Group	
	2015	**2014**
	$'000	**$'000**
Sale of goods	**15,292**	15,490
Sale of scraps	**12**	38
	15,304	15,528

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. EXPENSE BY NATURE

	Group	
	2015	2014
	$'000	$'000
Fees on audit services paid/payable to:		
– Auditor of the Company	**95**	88
– Other auditors	**103**	28
Fees on non-audit services paid/payable to:		
– Auditor of the Company	**13**	31
– Other auditors	**6**	6
Changes in inventories	**(95)**	82
Depreciation of plant and equipment	**961**	829
Employee compensation (Note 6)	**7,179**	7,311
Insurance	**80**	126
Professional fees	**667**	617
Rental expense on operating leases	**1,147**	782
Statutory charges	**49**	144
Telephone	**72**	84
Travelling	**160**	119
Upkeep of motor vehicle	**105**	109
Utilities, power and light	**1,057**	1,210
Purchase of inventories	**4,038**	4,099
Outward carriage	**123**	116
Others	**1,127**	904
Total cost of sales, distribution and marketing and administrative expenses	**16,887**	16,685

6. EMPLOYEE COMPENSATION

	Group	
	2015	2014
	$'000	$'000
Wages and salaries	**6,447**	6,740
Directors' fees	**180**	135
Employer's contribution to defined contribution plans including Central Provident Fund	**477**	407
Employer's contribution to defined benefit plans (Note 27)	**75**	29
	7,179	7,311

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. OTHER INCOME

	Group	
	2015	**2014**
	$'000	**$'000**
Interest income		
– Bank deposits	**22**	19
– Convertible loan	**288**	180
	310	199

8. OTHER CREDITS AND OTHER (CHARGES)

	Group	
	2015	**2014**
	$'000	**$'000**
Collaboration income	**80**	161
Currency translation losses	**(151)**	(309)
Forfeiture of deposit[(1)]	**(134)**	450
Government grant income	**39**	78
Impairment loss on available-for-sale financial assets (Note 18)	**–**	(4,661)
Write-back/(write down) of inventories (Note 13)	**10**	(121)
Gain/(loss) on disposal of plant and equipment	**564**	(20)
Plant and equipment written off	**(11)**	(33)
Rental income	**–**	5
(Allowance)/reversal for impairment on trade and other receivables (Note 33(b)(ii))	**(31)**	15
Other	**17**	53
	383	(4,382)
Presented in consolidated statement of comprehensive income as:		
Other credits	**710**	762
Other charges	**(327)**	(5,144)
	383	(4,382)

(1) During the financial year 2015, the Group terminated the lease of factory located in Suzhou, China, and the deposit of $134,000 was forfeited. During the financial year 2014, the Group received a deposit of $450,000 from Mr Wa (former Director of the Company) for a proposed purchase of the Company's lifestyle products business unit. However, the Group had recognised the reversal of deposit and recorded as other credits due to the breach of agreement by Mr Wa.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. FINANCE EXPENSES

	Group	
	2015	2014
	$'000	$'000
Interest expense:		
– Finance lease liabilities	**11**	13
– Bank borrowings	**169**	69
Amortisation of:		
– Bank borrowings transaction costs	**105**	3
Finance expense recognised in profit or loss	**285**	85

10. INCOME TAX EXPENSE

	Group	
	2015	2014
	$'000	$'000
Tax expense attributable to loss is made up of:		
– Loss for the financial year:		
From continuing operations		
Current income tax		
– Singapore	**–**	3
– Foreign	**608**	522
Deferred income tax (Note 28)	**(99)**	(99)
	509	426
– Under provision in prior financial years:		
From continuing operations		
Current income tax		
– Singapore	**243**	43
– Foreign	**32**	(3)
Deferred income tax (Note 28)	**–**	2
	784	468

There is no tax attributable to discontinued operations for financial year 2014 and 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. INCOME TAX EXPENSE (CONTINUED)

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	
	2015	**2014**
	$'000	**$'000**
Loss before tax from		
– Continuing operations	**(1,175)**	(5,425)
– Discontinued operations (Note 11)	**(1,132)**	(968)
Loss before tax	**(2,307)**	(6,393)
Tax calculated at tax rate of 17% (2014: 17%)	**(392)**	(1,087)
Effects of:		
– Different tax rate in other countries	**155**	126
– Expenses not deductible for tax purposes	**338**	1,045
– Income not subjected to tax	**(231)**	(137)
– Tax exemptions	**(21)**	(35)
– Deferred tax assets unrecognised	**664**	508
– Others	**(4)**	6
Tax charge	**509**	426

The Group has unrecognised tax losses of $12,780,000 (2014: $8,774,000) and capital allowances of $531,000 (2014: $317,000) 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

Due to the restructuring exercise of the Group in financial year 2015, management has decided to dispose its investment in subsidiary corporation and associated company, Sinjia RTE Solutions Pte Ltd and Ace Empire Capital Sdn Bhd respectively. Further, Paradise Palms Resort Properties Limited and Sinjia Land Sdn Bhd were struck off during the financial year.

The entire result of Sinjia RTE Solutions Pte Ltd, Ace Empire Capital Sdn Bhd, Paradise Palms Resort Properties Limited and Sinjia Land Sdn Bhd are presented separately in the statement of comprehensive income as "Discontinued Operations".

The entire assets and liabilities related to Sinjia RTE Solutions Pte Ltd, and the carrying amount of investment in associated company, Ace Empire Capital Sdn Bhd are classified as "Disposal group classified held-for-sale" (Note 17).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11. DISCONTINUED OPERATIONS (CONTINUED)

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

	Group	
	2015	**2014**
	$'000	**$'000**
Revenue	**–**	–
Expenses	**(1,132)**	(968)
Loss before tax from discontinued operations (Note 10)	**(1,132)**	(968)
Income tax expense (Note 10)	**–**	–
Loss after tax from discontinued operations	**(1,132)**	(968)

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

	Group	
	2015	**2014**
	$'000	**$'000**
Operating cash (outflows)/inflows	**(904)**	3,357
Investing cash inflows/(outflows)	**1,142**	(3,489)
Financing cash (outflows)/inflows	**(271)**	188
Total cash (outflows)/inflows	**(33)**	56

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**
2015			
Loss attributable to the equity holders of the Company ($'000)	(1,959)	(575)	(2,534)
Weighted average number of ordinary shares ('000)	140,660	140,660	140,660
Basic and diluted loss per share (cents per share)	(1.37)	(0.41)	(1.78)

12. LOSS PER SHARE (CONTINUED)

	Group Continuing operations	Discontinued operations	Total
2014			
Loss attributable to the equity holders of the Company ($'000)	(5,893)	(512)	(6,405)
Weighted average number of ordinary shares ('000)	145,297	145,297	145,297
Basic and diluted loss per share (cents per share)	(4.06)	(0.35)	(4.41)

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

13. INVENTORIES

	Group 2015 $'000	2014 $'000
Raw materials and consumables	**583**	673
Work-in-progress	**356**	284
Finished goods	**311**	388
	1,250	1,345

The cost of inventories recognised as an expense and included in "Cost of sales" amounts to $10,211,000 (2014: $10,565,000).

During the financial year ended 31 December 2015, the Group recognised a write-down in inventories of $54,000 (2014: $131,000), which was included within "Other credit and other (charges)" in the statement of comprehensive income. The write-down was recognised for inventories which were considered obsolete.

During the financial year ended 31 December 2015, $64,000 (2014: $10,000) of a previous inventory write-down in prior financial years was reversed. The Group has sold the goods that were written down and the amount reversed was included in "Other credit and other (charges)".

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade receivables				
– Non-related parties	**3,815**	4,631	**(50)**	421
Less: Allowance for impairment of receivables – non-related parties (Note 33(b)(ii))	**(37)**	(10)	**–**	–
Trade receivables – net	**3,778**	4,621	**(50)**	421
Other receivables				
Loan to				
– Associated company [(a)]	**–**	907	**–**	907
– Subsidiary corporations [(a)]	**–**	–	**1,826**	1,771
Amount due from subsidiary corporations [(a)]	**–**	–	**3,164**	1,922
Convertible loan [(b)]	**1,000**	2,000	**1,000**	2,000
Accrued interest receivables	**164**	–	**164**	–
Staff loans and receivables	**599**	155	**229**	36
	1,763	3,062	**6,383**	6,636
Less: Allowance for impairment of other receivables – subsidiary corporation (Note 33(b)(ii))	**–**	–	**(900)**	(900)
Other receivables – net	**1,763**	3,062	**5,483**	5,736
	5,541	7,683	**5,433**	6,157

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

As at 31 December 2015, the amount due from associated company was reclassified to "Disposal group classified as held-for-sale" (Note 17).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) During the financial year 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. The convertible loan carries an interest rate of 18% per annum and is secured by corporate guarantee from a related corporation and personal guarantee from a shareholder of Barons group of companies.

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.

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	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Deposits	**349**	578	**44**	64
Prepayments	**253**	200	**25**	20
Advance payment to suppliers	**166**	–	**–**	–
	768	778	**69**	84

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash at bank and on hand	**10,130**	15,429	**6,223**	5,253

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

	Group	
	2015	2014
	$'000	$'000
Cash and bank balances	**10,130**	15,429
Cash held by disposal group classified as held-for-sale (Note 17)	**35**	
Less: Bank deposits pledged	**(32)**	(4,532)
	10,133	10,897

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 2015

17. DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

Referring to Note 11, the entire assets and liabilities related to Sinjia RTE Solutions Pte Ltd and carrying amount of investment in associated company, Ace Empire Capital Sdn Bhd are classified as "Disposal group held-for-sale" (Note 17).

		Group 2015 $'000
(a)	Details of the assets of disposal group classified as held-for-sale are as follows:–	
	Trade and other receivables	1,864
	Other Assets, Current	9
	Cash and Cash Equivalents (Note 16)	35
	Plant and Equipment (Note 22)	5
	Asset Under Construction (Note 23)	2,482
	Less: Impairment loss	(1,068)
		3,327

		Group 2015 $'000
(b)	Details of the liabilities directly associated with disposal group classified as held-for-sale are as follows:	
	Trade and other payables	1,317
		1,317

		Company 2015 $'000
(c)	Details of the assets in disposal group classified as held-for-sale are as follows:–	
	Trade and other receivables	3,929
	Investment in associated companies (Note 20)	60
	Investments in subsidiary corporations (Note 21)	148
	Less: Impairment loss	(1,068)
		3,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2015	2014
	$'000	$'000
Beginning of financial year	**7,460**	–
Reclassified from asset of disposal group classified as held-for-sale	**–**	12,121
Additions	**3,287**	–
Fair value gains [Note 30(b)(ii)]	**3,447**	–
Impairment losses (Note 8)	**–**	(4,661)
End of financial year	**14,194**	7,460

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

	Group and Company	
	2015	2014
	$'000	$'000
Listed security		
– Equity security – Singapore	**3,287**	–
Unlisted security		
– Equity security – Tianjin Swan Lake Real Estate Development Co., Limited	**10,907**	7,460
	14,194	7,460

The available-for-sale financial assets of unlisted security 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.

During the financial year 2014, the carrying value of available-for-sale financial assets reclassified from asset of disposal group held-for-sale was $12,121,000. 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.

During the financial year 2015, the Company received partial payment of the Completion Consideration by way of transfer of 7,824,000 quoted securities of a listed company listed on the Main Board of the SGX-ST. Both parties have agreed the valuation of the quoted securities at $0.42 per share and accordingly the Company has received share consideration of $3,287,000. The partial consideration received from the purchaser was treated as changes in fair value of available-for-sale financial assets and recognised in other comprehensive income and accumulated in fair value reserve.

19. OTHER RECEIVABLES

	Company	
	2015	**2014**
	$'000	**$'000**
Loan to subsidiary corporation	**–**	898

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

The loan was reclassified to "Disposal group classified as held-for-sale (Note 17)" as at 31 December 2015.

The fair value of other receivables approximates the carrying amount.

20. INVESTMENT IN ASSOCIATED COMPANY

	Company	
	2015	**2014**
	$'000	**$'000**
Equity investment at cost		
Beginning of financial year	**60**	60
Less: Reclassified to		
disposal group classified as held-for-sale (Note 17)	**(60)**	–
End of financial year	**–**	60

In line with the restructuring exercise of the Group in the financial year 2015 (Note 11), the management has reclassified the investment in associated company to "Disposal group classified as held-for-sale (Note 17)".

Set out below is the associated company of the Group as at 31 December 2014, which, in the opinion of the directors, were 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**	**2015 %**	**2014 %**
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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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 $'000
Summarised statement of comprehensive income	
Revenue	–
Interest income	*
Expenses	
Includes:	
– Depreciation	*
Loss from operations	(98)
Total comprehensive loss	(98)

* Less than $1,000

The Group has not recognised its share of losses of an associated company amounting to $98,429 as financial year ended 2014 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 as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

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21. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2015	2014
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**15,408**	15,408
Additions	**–**	*
Disposal	**(12)**	–
End of financial year	**15,396**	15,408
Allowance for impairment		
Beginning and end of financial year	**(4,000)**	(4,000)
Carrying amount		
End of financial year	**11,396**	11,408
Loan to subsidiary[(a)]	**–**	148
Total	**11,396**	11,556

(a) The amount of loan to subsidiary is unsecured, interest free and repayable on 13 April 2017. As at 31 December 2015, it was reclassified to "Disposal group classified as held-for-sale (Note 17)".

* Less than $1,000

The Group had the following subsidiary corporations as at 31 December 2015 and 2014:

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	
			2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
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	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

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21. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

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	
			2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Paradise Palms Resort Properties Limited [d]	Property developer	Hong Kong	**–**	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] (Shanghai Nexia TS Certified Public Accountants)	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	**51**	51	**49**	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.

* Classified as discontinued operations and disposal group held-for-sale.

21. INVESTMENTS IN SUBSIDIARY CORPORATIONS (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	
	2015	**2014**
	$'000	**$'000**
Carrying value of non-controlling interest		
Sinjia RTE Solutions Pte Ltd	**(1,013)**	(456)

Set out below are the summarised financial information for the subsidiary corporation, Sinjia RTE Solutions Pte Ltd that has non-controlling interest that are material to the Group. There are presented before inter-company eliminations. Due to the restructuring exercise of the Group, management has decided to dispose this entity and as such the assets and liabilities of this subsidiary corporation have been reclassified as "Disposal group held-for-sale" (Note 17).

There was no transactions with non-controlling interest for the financial year ended 31 December 2015 and 2014.

	Sinjia RTE Solutions Pte Ltd As at 31 December	
	2015	**2014**
	$'000	**$'000**
Summarised balance sheet		
Current		
Assets	**51**	278
Liabilities	**(4,456)**	(4,480)
Total current net liabilities	**(4,405)**	(4,202)
Non-current		
Assets	**2,487**	3,633
Liabilities	**–**	(212)
Total non-current net assets	**2,487**	3,421
Net liabilities	**(1,918)**	(781)
Summarised income statement		
Loss from discontinued operations	**(1,137)**	(930)
Total comprehensive loss allocated to non-controlling interests	**(557)**	(456)
Summarised cash flows		
Net cash (used in)/provided by operating activities	**(939)**	3,516
Net cash provided by/(used in) investing activities	**1,141**	(3,637)
Net cash (used in)/provided by financing activities	**(237)**	191
Net (decrease)/increase in cash and cash equivalents	**(35)**	70
Cash and cash equivalents at beginning of financial year	**70**	–
Cash and cash equivalents at end of financial year	**35**	70

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22. PLANT AND EQUIPMENT

	Leasehold improvements $'000	Motor vehicles $'000	Plant and machinery $'000	Total $'000
Group				
2015				
Cost				
Beginning of financial year	**1,663**	**662**	**8,461**	**10,786**
Currency translation differences	**(37)**	**(2)**	**(577)**	**(616)**
Additions	**177**	**–**	**402**	**579**
Disposals	**(221)**	**(171)**	**(2,182)**	**(2,574)**
Reclassification (Note 17)	**–**	**–**	**(12)**	**(12)**
End of financial year	**1,582**	**489**	**6,092**	**8,163**
Accumulated depreciation and impairment				
Beginning of financial year	**1,112**	**348**	**6,639**	**8,099**
Currency translation differences	**(19)**	**(1)**	**(454)**	**(474)**
Depreciation charges	**310**	**132**	**519**	**961**
Disposals	**(203)**	**(1)**	**(2,257)**	**(2,461)**
Reclassification (Note 17)	**–**	**–**	**(7)**	**(7)**
End of financial year	**1,200**	**478**	**4,440**	**6,118**
Net book value				
End of financial year	**382**	**11**	**1,652**	**2,045**
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	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

22. PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements $'000	Motor vehicles $'000	Plant and machinery $'000	Total $'000
Company				
2015				
Cost				
Beginning of financial year	**83**	**388**	**489**	**960**
Additions	**–**	**–**	**22**	**22**
Disposal	**–**	**–**	**(389)**	**(389)**
End of financial year	**83**	**388**	**122**	**593**
Accumulated depreciation and impairment				
Beginning of financial year	**24**	**143**	**452**	**619**
Depreciation charge	**44**	**78**	**17**	**139**
Disposal	**–**	**–**	**(388)**	**(388)**
End of financial year	**68**	**221**	**81**	**370**
Net book value				
End of financial year	**15**	**167**	**41**	**223**
2014				
Cost				
Beginning of financial year	83	388	482	953
Additions	–	–	7	7
End of financial year	83	388	489	960
Accumulated depreciation and impairment				
Beginning of financial year	7	65	431	503
Depreciation charge	17	78	21	116
End of financial year	24	143	452	619
Net book value				
End of financial year	59	245	37	341

The carrying amounts of motor vehicles held under finance leases of the Group and the Company are $172,000 (2014: $264,000) and $168,000 (2014: $245,000) respectively at the balance sheet date.

Bank borrowings are secured on plant and equipment and assets under construction of the Group at cost of $NIL (2014: $2,986,311) (Note 25).

NOTES TO THE FINANCIAL STATEMENTS
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23. ASSETS UNDER CONSTRUCTION

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Power generation system				
Beginning of financial year	**5,960**	–	**2,338**	–
Additions	**1,246**	5,960	**–**	2,338
Reversal[(a)]	**(2,386)**			
Reclassification[(a)]	**(2,482)**	–	**–**	–
Disposal[(b)]	**(2,338)**	–	**(2,338)**	–
End of financial year	**–**	5,960	**–**	2,338

(a) During the financial year, a major supplier for the construction of Fuel Cell Power System requested to cancel a purchase order amounting to $2,386,000 and accordingly, the amount was reversed from the assets under construction. Further, the Group decided to discontinue the construction of the Fuel Cell Power System and planned to dispose it off. Hence, the balance of $2,482,000 was reclassified to "Disposal group classified as held-for-sale (Note 17)".

(b) The diesel power generation system with a total nameplate capacity of 6MW of $2,338,000 was sold to Tembusu Industries Pte Ltd and the gain on disposal of the asset was recognised in "Other credits and other (charges)" during the financial year.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade payables				
– Non-related parties	**946**	2,265	**–**	–
Accruals for operating expenses	**972**	1,316	**419**	353
Other payables				
– Non-related parties[(a)]	**11,193**	8,027	**11,098**	7,614
	13,111	11,608	**11,517**	7,967

(a) Out of the total other payables – non related parties, $10,907,000 (2014: $7,460,000) was partial consideration received from the Purchaser in connection with the proposed disposal of available-for-sale financial assets of investment in equity security of Tianjin Swan Lake Real Estate Development Co. Limited (Note 18).

25. BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Loan from subsidiary	–	–	5,480	5,350
Bank borrowings	246	756	246	–
Finance lease liabilities (Note 26)	38	47	37	39
	284	803	5,763	5,389
Non-current				
Bank borrowings	325	6,666	325	–
Finance lease liabilities (Note 26)	256	294	256	293
	581	6,960	581	293
Total borrowings	865	7,763	6,344	5,682

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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
6 months or less	130	215	130	18
6 – 12 months	154	588	5,633	5,371
1 – 5 years	486	2,001	486	155
Over 5 years	95	4,959	95	138
	865	7,763	6,344	5,682

(a) Security granted

Total bank borrowings include secured borrowings of $NIL (2014: $7,422,000) and $NIL (2014: $NIL) for the Group and the Company respectively. As at 31 December 2014, bank borrowings of the Group were 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
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25. BORROWINGS (CONTINUED)

(c) Undrawn borrowing facilities

	Group	
	2015	2014
	$'000	$'000
Expiring beyond one year	–	756

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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Minimum lease payments due				
– Not later than one year	**46**	58	**46**	50
– Between one and five years	**184**	186	**184**	185
– Later than five years	**100**	146	**100**	146
	330	390	**330**	381
Less: Future finance charges	**(36)**	(49)	**(37)**	(49)
Present value of finance lease liabilities	**294**	341	**293**	332

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

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not later than one year (Note 25)	**38**	47	**37**	39
Later than one year (Note 25)				
– Between one and five years	**160**	156	**160**	154
– Later than five years	**96**	138	**96**	139
	256	294	**256**	293
Total	**294**	341	**293**	332

27. RETIREMENT BENEFIT OBLIGATION

	Group	
	2015 $'000	2014 $'000
Post-employment benefit		
Obligations recognised in the balance sheet for:		
Defined pension benefits	**146**	82
Expenses charged to profit or loss:		
Defined pension benefits (Note 6)	**47**	29
Present value of unfunded obligations/liabilities recognised in the balance sheet	**146**	82

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

	Group	
	2015 $'000	2014 $'000
Present value of unfunded obligations/liabilities recognised in the balance sheet	**146**	82

The movement in the defined benefit obligation is as follows:

	Group	
	2015 Present value of obligation $'000	2014 Present value of obligation $'000
Beginning of financial year	**82**	52
Current service cost	**65**	24
Interest expense	**10**	5
Benefits paid during the year	**(2)**	–
Re-measurement:		
– Experience losses	**4**	–
– Gains from change in financial assumptions	**(10)**	–
	(6)	–
Currency translation differences	**(3)**	1
End of financial year	**146**	82

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.

NOTES TO THE FINANCIAL STATEMENTS
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27. RETIREMENT BENEFIT OBLIGATION (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	
	2015	**2014**
Discount rate	**9.00%**	8.5%
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	
	2015	**2014**
	$'000	**$'000**
Deferred income tax liabilities		
– To be settled after one year	**57**	170

Movement in deferred income tax account is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**170**	270
Tax credited to profit or loss – net (Note 10)	**(99)**	(99)
Currency translation differences	**(14)**	(3)
Underprovision in prior financial years (Note 10)	**–**	2
End of financial year	**57**	170

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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	
	2015	**2014**
	$'000	**$'000**
Deferred tax liabilities		
– Accelerated tax depreciation		
Beginning of financial year	**170**	270
Tax credited to profit or loss	**(81)**	(97)
Currency translation differences	**(13)**	(3)
End of financial year	**76**	170
Deferred tax assets		
– Others		
Beginning of financial year	**–**	–
Tax credited to profit or loss	**(18)**	–
Currency translation differences	**(1)**	–
End of financial year	**(19)**	–

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				
2015				
Beginning and end of financial year	**155,638**	**(14,978)**	**23,014**	**(2,602)**
2014				
Beginning of financial year	155,638	(5,365)	23,014	(611)
Treasury shares purchased	–	(9,613)	–	(1,991)
End of financial year	155,638	(14,978)	23,014	(2,602)

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 NIL (2014: 9,613,000) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $NIL (2014: $1,990,857) and this was presented as a component within shareholders' equity.

NOTES TO THE FINANCIAL STATEMENTS
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30. OTHER RESERVES

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
(a) Composition:				
Currency translation reserve	**(1,425)**	(892)	**–**	–
Fair value reserve	**3,447**	–	**3,447**	–
Statutory reserve	**46**	46	**–**	–
	2,068	(846)	**3,447**	–
(b) Movements:				
(i) Currency translation reserve				
Beginning of financial year	**(892)**	(837)	**–**	–
Net currency translation difference of financial statements of foreign subsidiary corporations	**(533)**	(55)	**–**	–
End of financial year	**(1,425)**	(892)	**–**	–
(ii) Fair value reserve				
Beginning of financial year	**–**	–	**–**	–
Available-for-sale financial assets – Fair value gains (Note 18)	**3,447**	–	**3,447**	–
End of financial year	**3,447**	–	**3,447**	–
(iii) Statutory reserve				
Beginning and end of financial year	**46**	46	**–**	–

According to the relevant regulations in the People's Republic of China ("PRC"), the subsidiary corporations 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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

31. 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 subsidiary corporations in the Group with a total capital deficiency of $1,701,000 as at the financial year end, so as to enable the subsidiary corporations to meet its obligation as and when they fall due.

32. 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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not later than one year	**628**	704	**130**	130
Between one and five years	**1,335**	1,382	**32**	162
Later than five years	**1,385**	–	**–**	–
	3,348	2,086	**162**	292

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

32. COMMITMENTS (CONTINUED)

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

The Group leases 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	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Not later than one year	**–**	80	**–**	–
Between one and five years	**–**	–	**–**	–
	–	80	**–**	–

(c) Capital commitment

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statement as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Plant and equipment	**465**	–	**–**	–

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimize 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.

NOTES TO THE FINANCIAL STATEMENTS
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33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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 2015							
Financial assets							
Trade and other receivables	1,571	1,001	793	180	1,854	50	5,449
Other current assets	188	–	–	–	161	–	349
Cash and bank equivalents	3,954	2,200	2,220	114	1,480	162	10,130
Available-for-sale financial assets	14,194	–	–	–	–	–	14,194
Receivables from subsidiary corporations	10,968	1,468	–	–	–	–	12,436
	30,875	4,669	3,013	294	3,495	212	42,558
Financial liabilities							
Trade and other payables	(4,130)	(169)	(8,027)	(343)	(588)	–	(13,257)
Borrowings	(865)	–	–	–	–	–	(865)
Payables to subsidiary corporations	(10,968)	(1,468)	–	–	–	–	(12,436)
	(15,963)	(1,637)	(8,027)	(343)	(588)	–	(26,558)
Net financial assets/ (liabilities)	14,912	3,032	(5,014)	(49)	2,907	212	16,000
Add: Net non-financial assets	2,600	–	612	1,025	1,145	–	5,382
Net assets/(liabilities)	17,512	3,032	(4,402)	976	4,052	212	21,382
Currency exposure of financial assets/ (liabilities) net of those denominated in the respective entities functional currencies	568	3,032	(5,634)	–	–	212	(1,822)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

33. 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 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 subsidiary corporations	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 subsidiary corporations	(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	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 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 2015

33. 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	USD $'000	Total $'000
At 31 December 2015					
Financial assets					
Trade and other receivables	5,405	–	28	–	5,433
Other current assets	44	–	–	–	44
Cash and cash equivalents	3,183	1,987	–	1,053	6,223
Available-for-sale financial assets	14,194	–	–	–	14,194
	22,826	1,987	28	1,053	25,894
Financial liabilities					
Trade and other payables	(3,896)	(7,621)	–	–	(11,517)
Borrowings	(6,344)	–	–	–	(6,344)
	(10,240)	(7,621)	–	–	(17,861)
Net financial assets	12,586	(5,634)	28	1,053	8,033
Add: Non-financial assets	14,713	–	–	–	14,713
Net assets	27,299	(5,634)	28	1,053	22,746
Currency exposure of financial assets net of those denominated in the Company's functional currency	–	(5,634)	28	1,053	(4,553)

NOTES TO THE FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $'000	RMB $'000	MYR $'000	USD $'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 currency	–	1,941	947	2	2,890

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB and IDR change against the SGD by 5% (2014: 5%) and MYR change against the SGD by 10% (2014: 1%) 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)			
	2015		2014	
	Loss after tax $'000	Other Comprehensive Income $'000	Loss after tax $'000	Other Comprehensive Income $'000
Group				
USD against SGD				
– strengthened	126	–	(10)	–
– weakened	(126)	–	10	–
RMB against SGD				
– strengthened	(233)	51	(1)	89
– weakened	233	(51)	1	(89)
MYR against SGD				
– strengthened	–	336	(7)	50
– weakened	–	(336)	7	(50)
IDR against SGD				
– strengthened	–	41	–	–
– weakened	–	(41)	–	–
Company				
RMB against SGD				
– strengthened	(233)	–	81	–
– weakened	233	–	81	–
MYR against SGD				
– strengthened	*	–	(8)	–
– weakened	*	–	8	–
USD against SGD				
– strengthened	44	–	*	–
– weakened	(44)	–	*	–

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group and the Company which are classified on the consolidated balance sheet as available-for-sale. These securities are listed in Singapore.

If prices for equity securities listed in Singapore had changed by 15% with all other variables including tax rate being held constant, the effect on other comprehensive income would have been higher/lower by $409,000.

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 current and non-current borrowings and loans from subsidiary corporation 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% (2014: 1%) with all other variables including tax rates being held constant, the loss after tax for the year would have been higher/lower by $7,000 (2014: $64,400) and $53,000 (2014: $47,100) 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.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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	
	2015	**2014**
	$'000	**$'000**
Corporate guarantees provided to banks on subsidiary corporations' loans	**–**	4,237

The trade receivables of the Group comprise 6 (2014: 6) debtors that individually represented 5 – 10% of trade receivables.

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

	Group	
	2015	**2014**
	$'000	**$'000**
Singapore	**1,069**	967
China	**767**	758
Malaysia	**1,672**	2,084
Indonesia	**307**	822
	3,815	4,631

(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 subsidiary corporations.

NOTES TO THE FINANCIAL STATEMENTS
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33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

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

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Past due less than 3 months	**2,102**	6,358	**867**	597
Past due 3 to 6 months	**3,070**	172	**1,115**	2,697
Past due over 6 months	**66**	1,063	**3,156**	2,863
	5,238	7,593	**5,138**	6,157

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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Past due over 6 months	**248**	100	**900**	900
Less: Impairment for allowances (Note 14)	**(37)**	(10)	**(900)**	(900)
	211	90	**–**	–
Beginning of financial year	**10**	27	**900**	900
Currency translation difference	**(4)**	(2)	**–**	–
(Reversal)/allowance made (Note 8)	**31**	(15)	**–**	–
End of financial year (Note 14)	**37**	10	**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 2015

33. 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 2015			
Trade and other payables	**13,111**	**–**	**–**
Borrowings	**284**	**525**	**100**
At 31 December 2014			
Trade and other payables	11,608	–	–
Borrowings	803	2,888	5,969
Company			
At 31 December 2015			
Trade and other payables	**11,517**	**–**	**–**
Borrowings	**5,763**	**525**	**100**
At 31 December 2014			
Trade and other payables	7,967	–	–
Borrowings	5,389	185	146

(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% (2014: 100%). The Group's and the Company's strategies, which were unchanged from 2011, are to maintain gearing ratios within 100%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

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.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Net debt	**3,846**	3,942	**11,638**	8,396
Total equity	**22,450**	21,553	**23,814**	20,498
Total capital	**26,296**	25,495	**35,452**	28,894
Gearing ratio	**15%**	15%	**33%**	29%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2015.

(e) Fair value measurements

The table below presents assets measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group and Company	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2015				
Assets				
Available-for-sale financial assets	**3,287**	**–**	**10,907**	**14,194**
2014				
Assets				
Available-for-sale financial assets	–	–	7,460	7,460

The fair value of financial instruments traded in active markets i.e. available-for-sale equity securities are based on quoted prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is current bid price. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The unlisted securities of available-for-sale financial assets are carried at cost less impairment losses. 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.

(f) Financial instruments by category

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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Loans and receivables	**16,020**	23,690	**11,700**	11,474
Financial liabilities at amortised cost	**13,976**	19,371	**17,861**	13,649

34. 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	
	2015	2014
	$'000	$'000
Sale of goods to an entity related by common shareholder	**13**	150
Rental income from entities related by common shareholder	**–**	5

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 2015, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

34. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	**1,591**	1,945	**678**	842
Employer's contribution to defined contribution plans, including Central Provident Fund	**77**	74	**30**	30
Directors' fees	**180**	135	**180**	135
	1,848	2,154	**888**	1,007
Analysed as:				
Directors of the Company	**696**	650	**696**	650
Other key management personnel	**1,152**	1,504	**192**	357
	1,848	2,154	**888**	1,007

35. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. SEGMENT INFORMATION (CONTINUED)

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. During the financial year, the Group has divested the business segment.

(4) The *Corporate* ("IH") segment is involved in Group level corporate services, treasury functions and investments.

Except from the above, no operating segments have been aggregated to form the above reportable operating segment.

	OA	LP	IH	Group
	$'000	$'000	$'000	$'000
2015				
Sales				
Total sales segment	–	18,137	–	18,137
Inter-segment sales	–	(2,833)	–	(2,833)
Sales to external parties	–	15,304	–	15,304
Adjusted EBITDA	97	(112)	(386)	(401)
Depreciation	(71)	(747)	(139)	(957)
ORBIT	26	(859)	(525)	(1,358)
Finance costs	–	(129)	(51)	(180)
Other items	(106)	(49)	518	363
Loss before tax from operations				(1,175)
Income tax expense				(784)
Loss from continuing operations				(1,959)
Loss from discontinued operations				(1,132)
				(3,091)
Segment assets	1	7,999	15,798	23,798
Segment assets includes:				
Additions to				
– plant and machinery	–	557	22	579
Segment liabilities	(17)	(1,720)	(11,520)	(13,257)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. 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	–	(1,354)	(133)
Depreciation	(143)	(569)	–	(116)	(828)
ORBIT	(155)	664	–	(1,470)	(961)
Finance costs	–	(37)	–	(45)	(82)
Other items	160	(117)	–	(4,425)	(4,382)
Loss before tax from operations					(5,425)
Income tax expense					(468)
Loss from continuing operations					(5,893)
Loss from discontinued operations					(968)
					(6,861)
Segment assets	310	8,306	3,740	13,557	25,913
Segment assets includes:					
Additions to					
– plant and equipment	–	732	15	7	754
Segment liabilities	(23)	(1,876)	(4,456)	(5,335)	(11,690)

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.

35. 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:

	2015 $'000	2014 $'000
Segment assets for reportable segments	**23,798**	25,913
Unallocated:		
Cash and cash equivalents	**10,130**	15,429
Disposal group classified as held-for-sale (Note 17)	**3,327**	–
	37,255	41,342

(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:

	2015 $'000	2014 $'000
Segment liabilities for reportable segments	**13,257**	11,690
Unallocated:		
Current income tax liabilities	**377**	166
Borrowings	**865**	7,763
Deferred income tax liabilities	**57**	170
Liabilities directly associated with disposal group classified as held-for-sale (Note 17(b))	**1,317**	–
	15,873	19,789

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. 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:–

	2015 $'000	2014 $'000
Sales from continuing operations		
Lifestyle products	**15,305**	15,528

(c) Geographical information

The Group's business segments operate in four 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.

	Sales from continuing operations	
	2015 $'000	2014 $'000
Singapore	**3,193**	2,424
China	**2,503**	2,397
Malaysia	**7,251**	7,320
Indonesia	**2,358**	3,387
	15,305	15,528

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (continued)

	Non-current assets	
	2015	**2014**
	$'000	**$'000**
Singapore	**14,624**	14,011
China	**383**	452
Malaysia	**800**	1,118
Indonesia	**432**	526
	16,239	16,107

Revenues of $2,708,000 (2014: $2,275,000) are derived from a single external customer. These revenues are attributable to the Malaysia precision elastomeric moulding of rubber components segment.

36. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 4 March 2016, it was announced that the Company intends to subscribe for 20,000 "SGD Class A" redeemable participating shares at the price of S$100 per Class A Participating Share in an investment fund named Fortune Asia Long Short Fund (the "Fund"), for the total subscription amount of S$2,000,000, in accordance with a subscription agreement entered into between the Company and the Fund on 4 March 2016. The Fund is managed by Fortune Capital Management Pte Ltd. All the redeemable participating shares in the Fund shall be known as the "Participating Shares" and the "SGD Class A" Participating Shares in the Fund shall be known as the "Class A Participating Shares".

As at the date of this report, the Company has made payment of S$200,000 of the subscription amount to the Fund and will make payment of the remaining S$1,800,000 in accordance with the Agreement, the placing memorandum prepared by the directors of the Fund and the Memorandum and Articles of Association of the Fund. Payment will be completed within seven (7) days from the date of the Agreement. The 20,000 Class A Participating Shares will be allotted and issued by the Fund to the Company upon receipt in full of the Subscription Amount by Fund from the Company.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory accounting standards, amendments to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2016 which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2016

- FRS 114 *Regulatory Deferral Accounts*
- Amendments to FRS 1 *Disclosure Initiative*
- Amendments to FRS 27 *Equity Method in Separate Financial Statements*
- Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

Effective for annual periods beginning on or after 1 January 2016 (continued)

- Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*
- Improvements to FRSs (November 2014)
  – Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*
  – Amendments to FRS 107 *Financial Instruments: Disclosures*
  – Amendment to FRS 19 *Employee Benefits*
  – Amendment to FRS 34 *Interim Financial Reporting*

Effective for annual periods beginning on or after 1 January 2018

- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

Effective date: to be determined*

- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore (ASC) in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.

The management anticipates that the adoption of the above FRSs, INT FRSs 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.

38. 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 subsidiary corporations on 7 April 2016.

STATISTICS OF SHAREHOLDINGS
AS AT 16 MARCH 2016

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	0.09	80	0.00
100 – 1,000	49	4.64	45,300	0.03
1,001 – 10,000	455	43.13	3,227,060	2.29
10,001 – 1,000,000	532	50.43	33,694,400	23.96
1,000,001 AND ABOVE	18	1.71	103,693,080	73.72
TOTAL	**1,055**	**100.00**	**140,659,920**	**100.00**

Shareholding held by the public

Based on the information available to the Company as at 16 March 2016, approximately 67.12% of the issued ordinary shares of the Company are held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules 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
Jimmy Lee Peng Siew	7,855,000	5.58	nil	nil

Notes:–

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

STATISTICS OF SHAREHOLDINGS
AS AT 16 MARCH 2016

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	38,194,900	27.15
2	MAYBANK KIM ENG SECURITIES PTE. LTD.	9,308,000	6.62
3	CIMB SECURITIES (SINGAPORE) PTE. LTD.	8,247,600	5.86
4	JIMMY LEE PENG SIEW	7,855,000	5.58
5	RHB SECURITIES SINGAPORE PTE. LTD.	7,000,000	4.98
6	HONG LEONG FINANCE NOMINEES PTE LTD	6,090,000	4.33
7	RAFFLES NOMINEES (PTE) LIMITED	4,080,700	2.90
8	OCBC SECURITIES PRIVATE LIMITED	3,545,800	2.52
9	LEE ENG YEW	2,658,700	1.89
10	ANG KONG MENG	2,548,900	1.81
11	CHEONG WEIXIONG (ZHANG WEIXIONG)	2,361,000	1.68
12	TAN JIANYOU	2,212,000	1.57
13	LIM TIONG KHENG STEVEN	1,883,400	1.34
14	DBS NOMINEES (PRIVATE) LIMITED	1,753,900	1.25
15	WA KOK LIANG	1,730,980	1.23
16	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	1,718,000	1.22
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,307,900	0.93
18	ANG ZHI CHENG	1,196,300	0.85
19	LIM HUNG MONG	976,000	0.69
20	CITIBANK CONSUMER NOMINEES PTE LTD	950,000	0.68
	TOTAL	**105,619,080**	**75.08**

NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at TKP Conference Center Cecil Street, 137 Cecil Street, Level 3, Osaka 1 Singapore 069537 on Friday, 29 April 2016 at 2.30 p.m. to transact the following business:–

AS ORDINARY BUSINESS

1. To receive and consider the Directors' Statement and Audited Accounts for the financial year ended 31 December 2015 together with the Auditors' Report thereon. Resolution 1

2. To re-elect Mr Cheong Weixiong, who is retiring in accordance with Article 115 of the Company's Constitution, as a Director of the Company. Resolution 2

3. To record the retirement of Mr Tang Chi Loong, a Director retiring in accordance with Article 115 of the Company's Constitution, who, although eligible, is not offering himself for re-election.

4. To approve the Directors' fees of $157,500 for the year ended 31 December 2015. Resolution 3

5. To re-appoint Nexia TS Public Accounting Corporation as the Independent 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 as ordinary resolutions, with or without amendments:

6. Authority to allot and issue shares Resolution 5

"That pursuant to Section 161 of the Companies Act, Cap. 50. ("Companies Act") and Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("Catalist Rules"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:–

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

NOTICE OF AGM

(ii) (subject to such manner of calculations 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 (i) above, the percentage of the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares of the Company at the time this Resolution is passed after adjusting for:–

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

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or sub-division of shares

(iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (i)]

7. Authority to grant awards and to allot and issue shares under the HLN Technologies Limited Performance Share Plan Resolution 6

"That pursuant to Section 161 of the Companies Act and the Catalist Rules, approval be and is hereby given to the Directors of the Company to:

a) grant awards in accordance with the provisions of the HLN Technologies Limited Performance Share Plan ("the Plan"); and

b) allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the release 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) from time to time."

[See Explanatory Note (ii)]

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

NOTICE OF AGM

Explanatory Notes:

(i) Resolution 5, if passed, will empower the Directors from the date of this Annual General 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 100% of the total number of issued Shares (excluding treasury Shares) 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 50% of the total number of issued Shares (excluding treasury Shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting, or by the date by which the next Annual General Meeting is required by law to be held, whichever is earlier.

(ii) Resolution 6, if passed, will empower the Directors to grant awards and to issue and allot Shares pursuant to 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 shall not exceed 15% of the total number of issued Shares (excluding treasury Shares) from time to time.

By Order Of the Board

SEAH KIM SWEE
Company Secretary

Date: 14 April 2016

NOTICE OF AGM

Notes:

a) A member entitled to attend and vote at a general meeting is entitled to appoint no more than two proxies to attend and vote on his behalf. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each proxy.

b) Pursuant to Section 181 of the Companies Act, Cap. 50., any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at a general meeting. Relevant intermediary is either:

(i) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

(ii) a capital market services license holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds in that capacity; or

(iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

c) 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.

d) A proxy need not be a member of the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 hereof.

SINJIA LAND LIMITED

Registration No. 200402180C
(Incorporated in Singapore)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

PROXY FORM

I/We* ______________________ (Name), NRIC/Passport number* ______________________

of ____ (Address)

being a member/members* of Sinjia Land Limited (the "Company") hereby appoint:

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

and/or*

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

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the **Annual General Meeting** of the Company to be held at TKP Conference Center Cecil Street, 137 Cecil Street, Level 3, Osaka 1 Singapore 069537 on Friday, 29 April 2016 at 2.30 p.m. and at any adjournment thereof.

(Please indicate in the spaces provided whether you wish the number of vote(s) you wish to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	Number of Votes For	Number of Votes Against
ORDINARY BUSINESS			
1	Directors' Statements and Audited Accounts for the financial year ended 31 December 2015 and the Auditors' Report thereon		
2	Re-election of Mr Cheong Weixiong as Director		
3	Approval of Directors' fees for the financial year ended 31 December 2015		
4	Re-appointment of Nexia TS Public Accounting Corporation as Auditors		
5	Authority to issue shares		
6	Authority to grant awards and to allot and issue shares in accordance with the provisions of the HLN Technologies Limited Performance Share Plan		

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

Dated this ____________ day of ____________ 2016

Total number of Shares held

____
Signature(s) of member(s) or common seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), 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.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote on his behalf at the general meeting. Where a member appoints more than one proxy, he shall specify the proportion of his shares to be represented by each such proxy, failing which, the nomination shall be deemed to be alternative.

3. Pursuant to Section 181 of the Companies Act, Cap. 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the general meeting. Relevant intermediary is either:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (ii) a capital market services license holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds in that capacity; or

   (iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

4. 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.

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

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

7. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting.

8. 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 such members are not shown to have shares entered against their names in the Depository Register at 72 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 14 April 2016.

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星嘉源

SINJIA LAND
limited

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