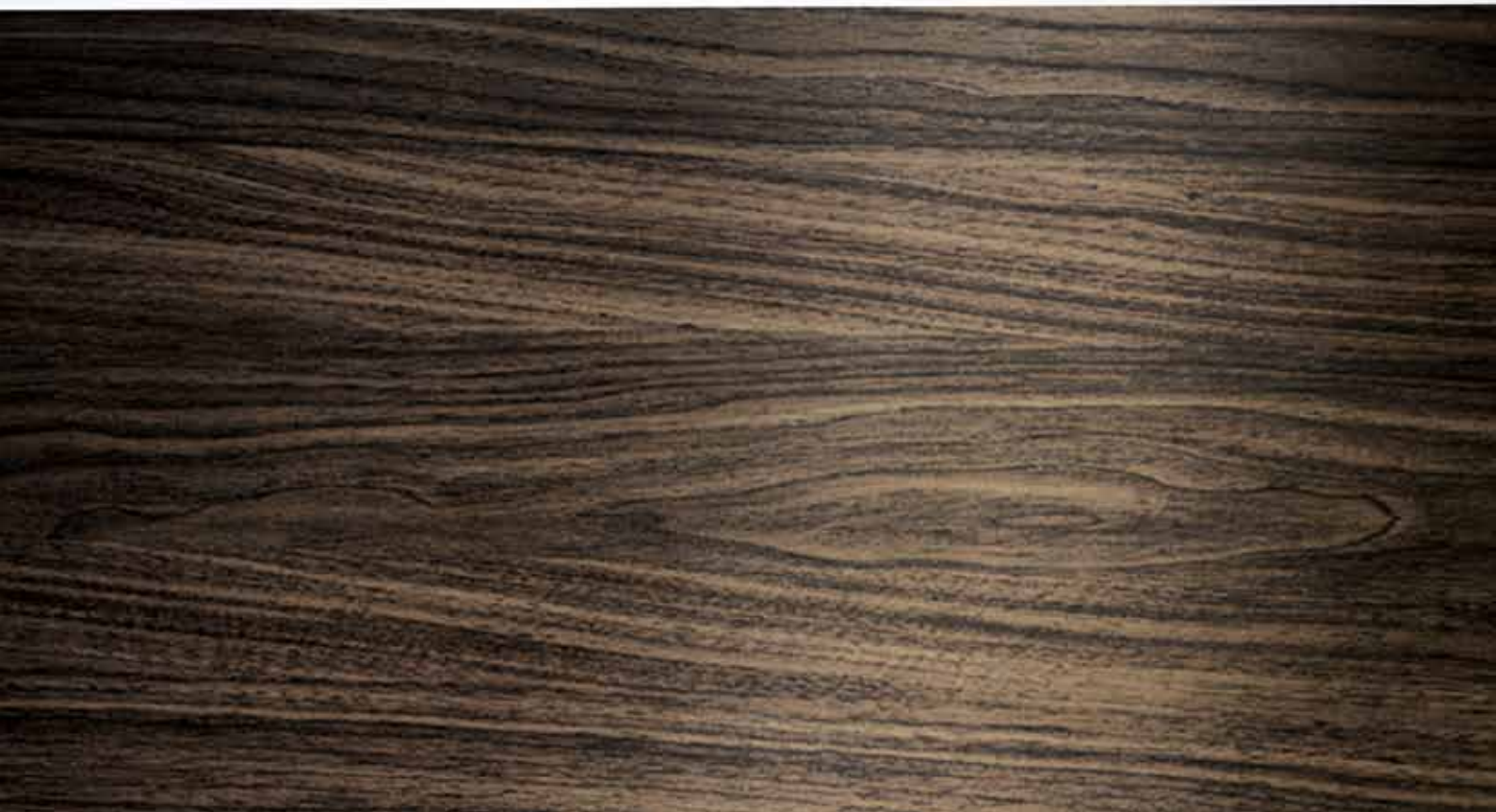
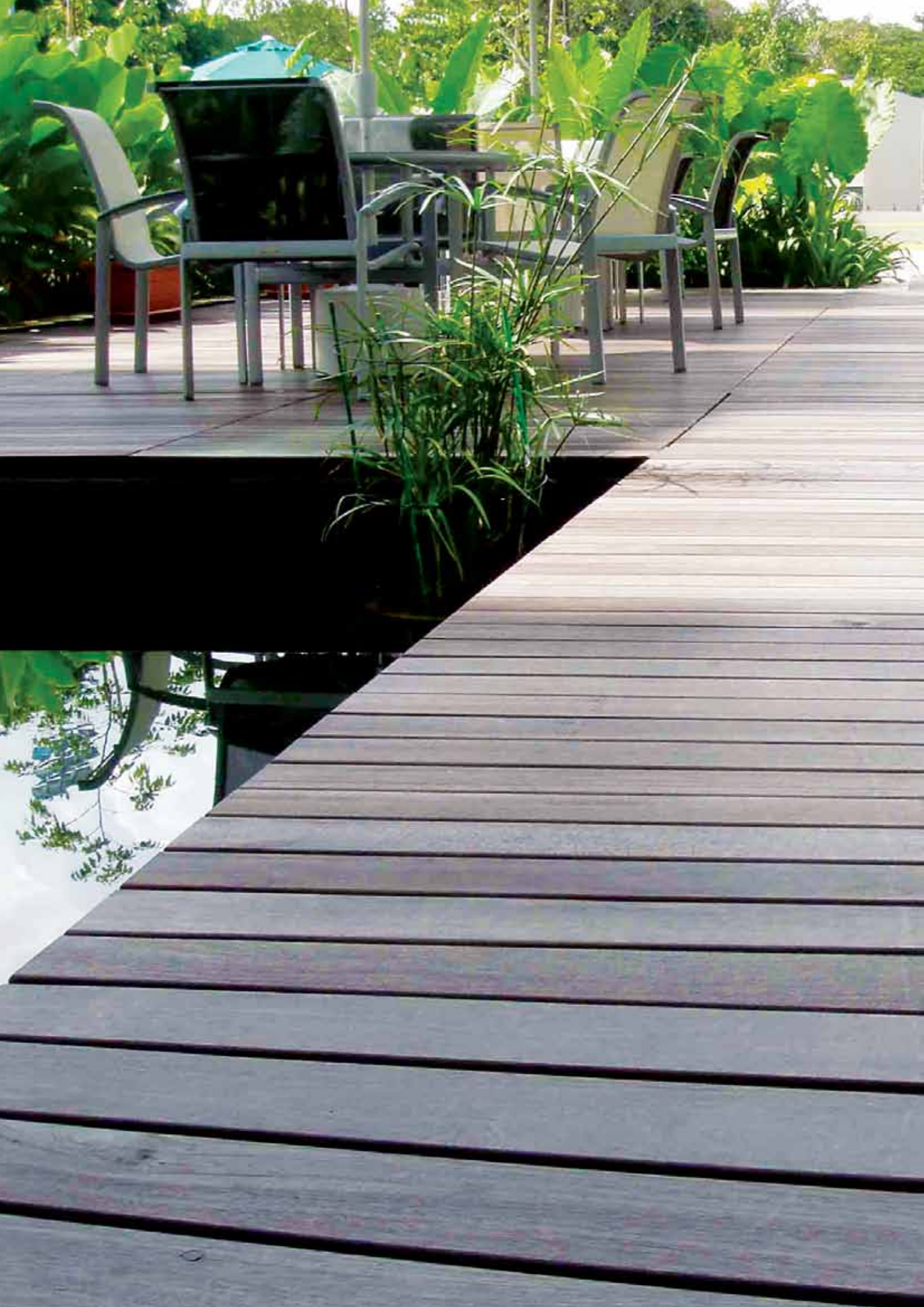


JASON HOLDINGS LIMITED

Annual Report 2014





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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The 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 annual report, 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 Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

CORPORATE PROFILE



Established in 1987 as a timber flooring service provider, Jason Holdings Limited ("Jason Holdings", and together with its subsidiaries, the "Group") is today primarily engaged in the provision of indoor and outdoor flooring solutions with a reputation for and track record of quality and reliability.

The Group supplies and installs a comprehensive range of timber flooring products under the "Tech-Wood" brand, sells and distributes timber products and flooring accessories, as well as provides marble and granite flooring, wall panel and countertop solutions. Jason Holdings also supplies and installs environmentally friendly flooring products, such as wood-plastic composite products for a growing pool of eco-conscious customers.

Jason Holdings carries a range of more than 30 types of timber species to cater to its customers' preferences and budget. Leveraging its extensive knowledge of wood properties and installation methods, the Group has supplied and installed millions of square feet of timber flooring for numerous private and public residential and commercial projects.

The Group has been awarded Grade L6 by the Building and Construction Authority ("BCA") in the Finishing and Building Products category and this allows it to tender for Singapore public sector projects of unlimited contract value. Jason Holdings is also a BCA-Approved Training and Testing Centre, which allows it to carry out training and assessment for workers and senior staff in the area of timber flooring.

Jason Holdings was listed on Catalist of the Singapore Exchange Securities Trading Limited on 25 September 2012.

CHAIRMAN'S MESSAGE

"We have worked hard not only to consolidate our position as one of Singapore's leading providers of timber flooring services, but also to expand into other related and viable businesses as part of our growth strategy."

Jason Sim Chon Ang
Executive Chairman and CEO

Dear Shareholders,

Jason Holdings has come a long way in establishing our position as one of Singapore's leading providers of timber flooring services. Not one to rest on our laurels, we have grown the business since our listing on the Singapore Exchange Catalist in 2012. This expansion has served the Company well in terms of increasing our revenue as well as enhancing our market position both locally and overseas. I am pleased to provide an update of our key corporate developments for the financial year ending 31 December 2014 ("FY2014").

Performance Review

We posted revenue of $40.1 million in FY2014, a 21.5% improvement from the $33.0 million recorded in the previous financial year ("FY2013"), mainly due to an increase in contribution from the Distribution segment.

The Projects segment, which involves the supply and installation of timber flooring, turned in revenue of $27.8 million in FY2014, a marginal decrease from $28.0 million recorded in FY2013. This was mainly due to a decline in upgrading projects by residential owners.

Our strategy to expand the sale and distribution of timber products and flooring accessories through established international trading partners has yielded good results for us in FY2014. The Distribution segment achieved a 146.0% leap in revenue to $12.3 million in FY2014, from $5.0 million a year before. We saw a significant improvement in contribution from the China market, while the Myanmar market also recorded maiden contribution in FY2014. On the home front, our operations in Singapore maintained steady growth.

Cost of sales increased by 19.6% to $32.4 million in FY2014, from $27.1 million in FY2013, largely in line with the revenue improvement but partially offset by decreases in cost of timber per revenue dollar and subcontract costs from the Projects segment. Taking into account new projects undertaken by the Projects and Distribution segments that utilised materials commanding higher value-added pricing, gross profit improved by 34.5% to $7.8 million in FY2014, from $5.8 million in FY2013.

Administrative expenses rose 19.0% to $5.0 million in FY2014, from $4.2 million the year before. The increase was mainly due to higher staff-related expenses. Other expenses decreased by 30.0% to $2.1 million in FY2014, from $3.0 million in FY2013, taking into consideration an allowance made in FY2013 for doubtful trade receivables of $0.6 million for Poh Lian Construction (Pte.) Ltd. and Qing Bee Enterprise and a reversal of allowance in FY2014 for doubtful trade receivables amounting to $0.3 million.

In consideration of the above and other items of income and expense, we recorded a profit after tax of $0.4 million in FY2014, a turnaround from a loss of $1.9 million in FY2013.

We undertook a two-for-one share split exercise in May 2014, which led to an increase in issued and paid-up share capital to 216 million shares, from 108 million shares. Taking this into account, we closed the year with a net asset value of 6.8 cents as at 31 December 2014. Net asset value as at 31 December 2013, after adjusting for the share split, was 6.6 cents. The improvement was mainly due to the improved profitability in FY2014.

Operations Review

Amid a challenging operating environment in the property industry, the Group delivered an improved performance for FY2014 compared to the previous year. The increase in revenue was mainly driven by higher contribution from the Distribution segment in view of overseas expansion efforts. The Projects segment was impacted by fewer residential upgrading projects.

Nevertheless, the Group still secured a healthy portfolio of contracts to supply and install flooring and provide wall solutions for private and public residential and mixed-developments in FY2014. Among the contracts awarded were:

- the 702-unit Bartley Residences at Bartley Road/ Lorong How Sun
- the 381-unit Leedon Residence at Leedon Heights
- the 445-unit Thomson Three at Bright Hill Drive
- the 190-unit South Bridge Mixed Development at Beach Road
- the 583-unit Bedok Residences at Bedok North Drive/ New Upper Changi Road
- the 992-unit Waterway Point & Watertown at Punggol Central/ Punggol Walk

Revenue from our Distribution segment received a boost from a contract worth $15.9 million by Shanghai Qinao Import and Export Co Ltd to supply and deliver Falcata sawn lumber on a monthly basis over a 2-year period.

In line with our strategy to expand the depth and breadth of our existing business, we announced our intention to acquire Top Creation Investment (HK) Limited ("Top Creation") for RMB130 million in December 2014. Top Creation is engaged in the manufacture of wood-plastic composite ("WPC") materials and the production of plastic moulding. WPC is a composite material that is highly resistant to rotting and insect attacks. Such material is commonly used for outdoor deck floors, railing and fences, landscaping and park benches among others. Plastic moulding is the process of shaping plastic to allow for the creation of objects of all shapes and sizes with huge design flexibility.

The proposed acquisition will enable us to create meaningful synergies between our current principal business and activities of Top Creation. More importantly, it will ensure a steady supply of WPCs for our installation services, as the use of environmentally-friendly materials in construction becomes increasingly popular.

In addition, Top Creation's network will enable us to provide complementary manufacturing and installation services to a combined customer base and share global marketing and sales channels, technologies and management expertise. The good working relationship that we have enjoyed with Top Creation's vendor, Mr Shen Shui Liang, since 2010, will stand us in good stead in our post-acquisition integration process. The purchase consideration for the proposed acquisition of Top Creation will be satisfied by a combination of cash and shares.

The Company is in the process of exploring alternative fund raising options to partially fund the proposed acquisition of Top Creation.

In December 2014, our subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd ("JPSS"), was served a writ of summons issued by Lian Beng Construction (1988) Ptd Ltd ("LBC"). LBC has made a claim for damages for alleged breaches of contract. We have denied liability and have since filed a counterclaim against LBC for $0.56 million for the cost of materials due to us and rectification works that we had provided.

In the interest of the Group, I have entered into a deed of guarantee and indemnity with JPSS. Pursuant to this deed, JPSS will be fully indemnified against all legal costs and damages that may arise out of LBC's suit while any net gain will accrue solely to JPSS.

CHAIRMAN'S MESSAGE



Going Forward

We have good projects in the pipeline that are expected to contribute positively to the Group's performance in 2015. These include condominium projects such as The Panorama, Farrer Drive, Corals and The Line. Nevertheless, we remain mindful that the business conditions in 2015 are likely to remain challenging, given the various property cooling measures introduced by the Singapore government.

The increase in foreign worker levies, reduction in man-year-entitlement and change in renewal criteria for the different classes of foreign worker permits will continue to put pressure on the Group's labour and sub-contracting costs.

Slower than expected work progress at existing project sites and delays in commencement of a number of scheduled-to-start projects may result in lost revenue opportunities and drive up material, labour and sub-contracting costs.

In the midst of this tough environment, we remain focused on our core Projects segment of supplying and installing of a comprehensive range of timber flooring under our "Tech-Wood" brand for main contractor and retail customer projects, and will step up our marketing efforts based on our good track record and reputation. Notwithstanding, we will be more selective by undertaking higher margin projects and managing our subcontracting costs more efficiently.

We will continue to expand the sale and distribution of timber, WPC, stone products and flooring accessories, both locally and overseas.

We have identified China and South East Asia as key potential growth markets, and will seek out opportunities through strategic investments, acquisitions and joint ventures in these countries.



Acknowledgements

The Group continues to strive towards expanding our business as well as providing quality service with our professionalism, product expertise, quality results and competitive pricing. The growth and success of the Group can only be achieved with a strong and dedicated team. For this, I am grateful for the contribution made by our employees and management. The team's commitment has been instrumental in seeing Jason Holdings through thick and thin.

I would like to acknowledge my fellow Board members whose astute insights have been a great asset as the Group continues to explore new territories for the business. I am thankful for their counsel and foresight this past year.

I am pleased to welcome Mr Wui Heck Koon, who joined the Board as Lead Independent Director and Audit Committee Chairman in June 2014. In addition, we have appointed Mr Sim Choon Joo to the Board as Executive Director. Their wealth of experience and insights are great assets to the Group.

Last but not least, my thanks also go out to our business partners and shareholders for their confidence in and support for Jason Holdings. We remain committed to building shareholder value and look forward to sharing the rewards in the coming years.

Jason Sim Chon Ang
Executive Chairman and CEO

FINANCIAL REVIEW

Comprehensive Income

The Group's revenue is largely derived from the supply and installation of timber flooring to (i) Projects customers, comprising main contractors and retail customers, and (ii) the sale of timber products and flooring accessories to Distribution customers.

The Group's revenue rose 21.5% to $40.1 million in FY2014, compared to $33.0 million in FY2013, due to an increase in revenue contribution from the Distribution segment. The Distribution segment contributed revenue of $12.3 million in FY2014, a 144.0% increase from the $5.04 million achieved in FY2013, accounting for 30.6% of the Group's revenue. The improvement was due to growth in the overseas distribution business following a year of working with established international trading partners to expand business beyond the Singapore market, along with the increased sale of timber through material contracts.

Revenue from main-contractor projects, which accounted for 60.6% of the Group's revenue, rose 6.6% to $24.3 million in FY2014, compared to $22.8 million in FY2013. Revenue contribution from retail projects decreased 30.0% to $3.5 million due to fewer projects.

Gross profit increased by 34.5% to $7.8 million in FY2014, from $5.8 million the previous year. Gross profit margin improved to 19.3% in FY2014, from 17.7% in the previous year. The increase in gross profit margin was due to:

1) more projects under the Projects and Distribution segments that commanded higher value pricing;
2) a significant decrease in the cost of timber per revenue dollar from the Projects segment; and
3) a decrease in subcontract costs from the Projects segment due to better cost management.

Other income increased to $0.4 million in FY2014, from $0.1 million the previous year due to grants and incentives received from the Singapore government, staff insurance compensation claims, increase in rental income and gain on the disposal of plant and equipment.

Selling and distribution expenses decreased by 50.0% to $0.1 million in FY2014, from $0.2 million in FY2013, mainly as a result of decreases in sales referral commission, sales and marketing costs and advertising costs.

Administrative expenses increased by 19.0% to $5.0 million in FY2014, from $4.2 million in the previous year, mainly due to increases in staff salaries, bonuses and allowances, foreign worker levies, staff accommodation expenses, lease rental, staff welfare and directors' benefits.

Other expenses decreased by 30.0% to $2.1 million in FY2014, from $3.0 million in FY2013, mainly due to:

1) an allowance made in FY2013 for doubtful trade receivables of $0.3 million due from Poh Lian Construction (Pte.) Ltd. and Qing Bee Enterprise; and
2) a reversal of allowance in FY2014 for doubtful trade receivables amounting to $0.3 million.

The decrease was partially offset by:

1) an increase in legal and professional fees in connection with the Group's listing status and the proposed acquisition of Top Creation Investment (HK) Limited; and
2) an increase in donations as the Group supported more charitable events in FY2014.

Finance costs remained largely constant at $0.5 million in FY2014 due to lower borrowing costs on its property loan and the use of more cash to fund its business growth and working capital requirements.

On account of the above, the Group recorded a profit after tax of $0.4 million in FY2014, compared to a loss after tax of $1.9 million in FY2013.

Financial Position

Total assets as at 31 December 2014 amounted to $44.9 million, a 10.0% decrease from $49.9 million as at 31 December 2013. The decrease was mainly due to a reduction in cash and cash equivalents by $7.0 million to $0.3 million as at 31 December 2014, as a result of the Group utilising more cash to pay down its bank borrowings and fund its business growth and working capital requirements during FY2014. The decrease was partially offset by an increase in trade and other receivables by $2.4 million to $31.5 million, as a result of higher revenue recorded in FY2014.

Total liabilities were $30.1 million as at 31 December 2014, a 15.2% decline from $35.5 million as at 31 December 2013. The decline was mainly due to a reduction in bank borrowings and trade and other payables. Total bank borrowings decreased as the Group paid down its borrowings and utilised more cash to fund its business growth and working capital requirements. The decrease in trade and other payables was mainly due to a reduction in deposits received from customers and lesser purchases from local suppliers.

Total equity increased to $14.8 million as at end-FY2014, from $14.3 million as at end of the previous year taking into account the profit recorded in FY2014.



BOARD OF DIRECTORS

Jason Sim Chon Ang
Executive Chairman and CEO

Mr Jason Sim Chon Ang is the founder and Chairman of the Board and has been an executive director and CEO of Jason Parquet Specialist (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company, since its incorporation in 1993. He was last re-elected on 12 April 2013.

With over two decades of experience in the timber flooring business, Mr Sim is responsible for the overall business development and general management of the Group, as well as overseeing the Group's sales and marketing team.

Mr Sim was invited by the Building and Construction Authority ("BCA") to sit on the "Industrial Good Practices Works for Timber Works" steering committee in 2001. Since 2001, Mr Sim has been regularly invited to conduct training sessions for the Housing & Development Board, the BCA, developers and main contractors on standards and guidelines for timber installation work. In 2010, Mr Sim was conferred the "Outstanding Entrepreneurship Award" organised by Entrepreneur Asia and APF Group Pte Ltd. He is currently a member of the Entrepreneurs Organisation Singapore.

Mr Sim obtained a National Trade Certificate Grade 3 in Metal Machining from the Institute of Technical Education in 1984.

Sim Choon Joo
Executive Director

Mr Sim Choon Joo was appointed to the Board on 11 June 2014. He serves as the Group's Project Director, and is an executive director of Jason Parquet Specialist (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company, since its incorporation in 1993. Mr Sim is responsible for supervising Jason Parquet Specialist's current projects, and securing new projects for the Group. Prior to joining Jason Parquet Specialist, he was a metal machinist with Wing Hup Engineering Pte Ltd.

Wui Heck Koon
Lead Independent Director

Mr Wui Heck Koon joined the Board on 11 June 2014.

Mr Wui joined Serial System Ltd, a company listed on SGX, in 2000 and was appointed group company secretary the following year and group financial controller in 2006. He was redesignated as its group chief financial officer in 2011.

Mr Wui is a Chartered Accountant with corporate advisory and public accounting experience gained with an international accounting firm. He obtained a Bachelor of Accountancy with Honours from the Nanyang Technological University in 1993 and a Master of Business Administration from the Warwick Business School in the United Kingdom in 2010.

Karam Singh Parmar
Independent Director

Mr Karam Singh Parmar joined the Board on 26 June 2012 and was last re-elected on 12 April 2013.

He is a senior partner of Tan Kok Quan Partnership and heads its Building and Construction department. Prior to this, he worked with Lee & Lee from 1993 to 2000 as a trainee, legal associate and partner successively. He was an assistant treasurer in the corporate planning department of DBS Bank Ltd. from 1989 to 1990. Mr Parmar currently sits on the board of two non-listed companies.

Mr Parmar obtained a Bachelor of Engineering (Civil) degree from the National University of Singapore in 1988, and a Bachelor of Laws degree from the University of London in 1991. He received his Master of Science in Construction Law and Arbitration from King's College, University of London, in 1997.

Tan Lai Heng
Independent Director

Mr Tan Lai Heng joined the Board on 26 June 2012, and was last re-elected on 30 April 2014. He brings with him more than 20 years of experience in the engineering industry.

Mr Tan is the executive chairman of ETLA Limited, which together with its subsidiaries, form the Asian mechatronics division of Singapore-listed Frencken Group Limited, since 2006. He founded Eng Tic Lee Engineering in 1985 to provide air-conditioner ducting to the automobile industry. He subsequently founded Eng Tic Lee Achieve Pte. Ltd. (formerly known as Eng Tic Lee Engineering (S) Pte Ltd) in 1992 to further expand the business by providing metal fabrication and engineering services, contract equipment manufacturing services and metal fabrication services. He was its managing director until 2006.

Mr Tan sits on the board of Frencken Group Limited as an executive director since 2009. He completed his Secondary Three education in 1974.

KEY MANAGEMENT

New Sze Wei
Operations Director

Mr New Sze Wei joined the Group in 1999 and is responsible for overseeing the Group's operations, coordinating and managing the Group's projects, and procuring contracts for supply and contract works. He also oversees the management and deployment of operational staff of the Group.

Mr New began his career with the Group as a project executive, and was primarily involved in managing projects, establishing ISO 9001 standards and setting up information technology systems for the Group. He was promoted to Operations Manager in 2000 and Operations Director in 2005. Mr New obtained a Bachelor of Engineering (Electrical & Electronic Engineering) degree from Nanyang Technological University in 1999.

Chan Mei Lin
Contract Manager

Ms Chan Mei Lin joined the Group in 2000 as a senior quantity surveyor and was responsible for managing contracts, attending to sales enquiries, price quotations, project costing and budgeting, and billing and payment matters. She was appointed as Contract Manager in 2005, and expanded her portfolio to include the management of a team of quantity surveyors and draughtsmen.

Prior to joining the Group, Ms Chan was a quantity surveyor with Projection Pte Ltd from 1997 to 2000, and with Uwali Development Pte Ltd from 1993 to 1997. She was a sales executive with Dapon Contracts Pte Ltd from 1992 to 1993, a marketing executive with Sharikat National (Pte) Ltd from 1990 to 1992, a quantity surveyor with Ho Tat Engineering Co Pte Ltd from 1988 to 1990, and a draughtsman with Low Keng Huat Construction Co (S) Pte Ltd from 1987 to 1988.

Ms Chan obtained a Diploma in Civil Engineering from Singapore Polytechnic in 1987 and a Diploma in Marketing Management from Ngee Ann Polytechnic in 1991. She obtained an Advanced Diploma in Quantity Surveying from Singapore Polytechnic in 1996.

Andrew Loke Yew Kong

Financial Controller

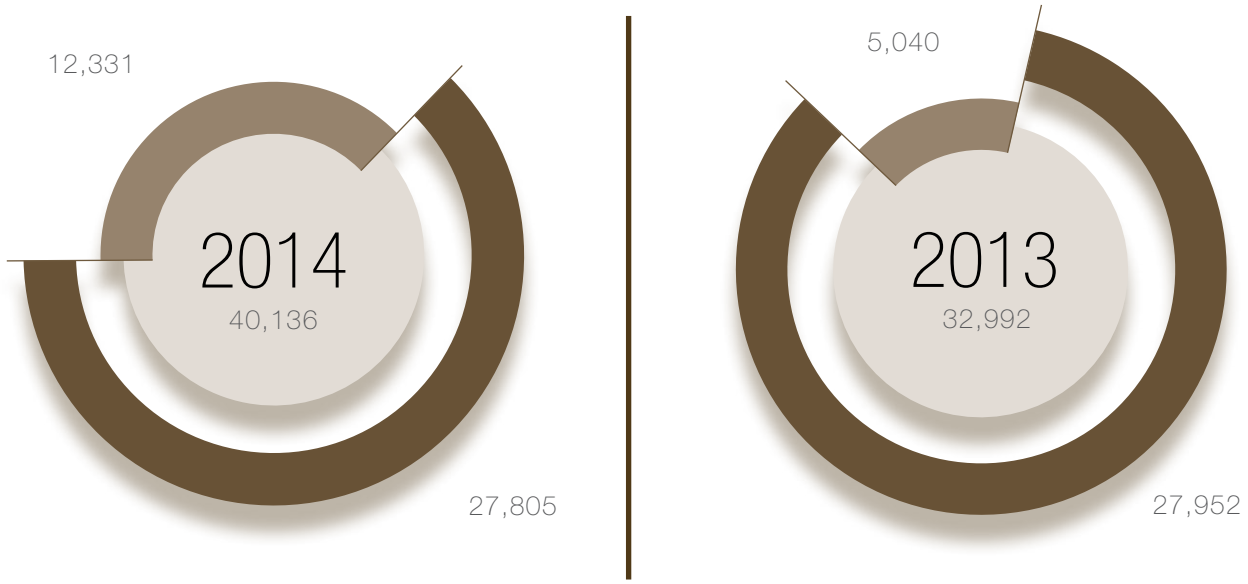
Mr Andrew Loke Yew Kong joined the Group in February 2011 and is responsible for overseeing the Group's financial, accounting, taxation, corporate finance activities and reporting functions.

Prior to joining the Group, he was a finance manager with StarHub Limited from 2000 to 2011. From 1996 to 2000, he held public accountant positions with C. C. Yang & Co and Ernst & Young, Singapore. He was an accounts executive with Trade Alliance (S) Pte Ltd from 1995 to 1996, after a short stint with EPC Enterprise Promotion Centres Pte Ltd as an accounts assistant from 1993 to 1994.

Mr Loke obtained a Bachelor of Business (Accountancy/ Computing) degree from Charles Sturt University, New South Wales, Australia in 1995. He also completed a Financial Reporting Standards Course by the Institute of Singapore Chartered Accountants (ISCA) in 2005. He was a founding Committee Member of the CPA Australia's Public Accountants' Staff Group in 1995 and continued to serve till 1999. He was a Certified Practicing Accountant (CPA) with CPA Australia, Singapore Division till 2004, and has been a full member of the ISCA since 2011.

FINANCIAL HIGHLIGHTS

REVENUE BY BUSINESS SEGMENT ($'000)



Projects

Distribution

$'000	FY2014	FY2013
Revenue	40,136	32,992
Cost of sales	(32,375)	(27,146)
Gross profit	7,761	5,845
Profit/(Loss) before tax	412	(1,896)
Tax credit/(expense)	8	(8)
Total comprehensive income for the year	420	(1,904)
Profit/(Loss) attributable to owners of the parent	418	(1,842)

CORPORATE INFORMATION

Board of Directors

Jason Sim Chon Ang
Executive Chairman and CEO
Sim Choon Joo
Executive Director
Wui Heck Koon
Lead Independent Director
Karam Singh Parmar
Independent Director
Tan Lai Heng
Independent Director

Audit Committee

Wui Heck Koon
Chairman
Karam Singh Parmar
Tan Lai Heng

Nominating Committee

Karam Singh Parmar
Chairman
Wui Heck Koon
Tan Lai Heng

Remuneration Committee

Karam Singh Parmar
Chairman
Wui Heck Koon
Tan Lai Heng

Company Secretaries

Teo Meng Keong (ACIS)
Andrew Loke Yew Kong (CA Singapore)

Registered Office

16 Tampines Street 92
JP Building
Singapore 528873
Tel : (65) 6783-2727
Fax : (65) 6782-2727
Website: www.jasonparquet.com

Company Sponsor

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road #21-02
Singapore 068896

Independent Auditor

BDO LLP
Public Accountants and Chartered Accountants
21 Merchant Road #05-01
Singapore 058267
Partner-in-charge: Aw Vern Chun Philip
(Since financial year ended 31 December 2013)

Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Principal Bankers

DBS Bank Ltd.
6 Shenton Way
DBS Building Tower One
Singapore 068809

Australia and New Zealand Banking Group Limited
10 Collyer Quay #30-00
Ocean Financial Centre
Singapore 049315



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CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board" or "Directors") of Jason Holdings Limited ("Jason Holdings" or the "Company") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group") to safeguard the interest of shareholders and to enhance corporate value and accountability. The Company believes that the Singapore Code of Corporate Governance 2012 (the "2012 CG Code") serves as a practical guide in defining the duties and responsibilities of the Board. The Board confirms that for the financial year ended 31 December 2014 ("FY2014"), the Company has complied with the principles and guidelines of the 2012 CG Code, save as otherwise explained below. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the 2012 CG Code and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") requirements.

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 the management of the Company (the "Management") to achieve this objective and the Management remains accountable to the Board.***

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group.

Matters which specifically require the Board's decision or approval are those involving:

(a) corporate strategy and business plans;

(b) investment and divestment proposals;

(c) funding decisions of the Group;

(d) nominations of Directors for appointment to the Board and appointment of key personnel;

(e) announcement of half-year and full-year results, the annual report and accounts;

(f) material acquisitions and disposals of assets; and

(g) all matters of strategic importance.

Certain matters are delegated to committees whose actions are monitored by the Board. These committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), which operate within clearly defined terms of reference and functional procedures.

All Directors exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times the interests of the Company.

The Board meets regularly with at least two scheduled meetings held within each financial year. The Board also holds meetings when warranted by particular circumstances, as deemed appropriate by the Board members. The Company's Articles of Association allow Board meetings to be conducted by way of telephone conferencing, video conferencing and through other electronic means of communication. The Board and Board committees may also make decisions through circulating resolutions.

CORPORATE GOVERNANCE REPORT

During FY2014, the number of meetings held and attended by each member of the Board is as follows:

Type of Meeting / Name of Director	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Mr Jason Sim Chon Ang	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Mr Sim Choon Joo [1]	4	2	N/A	N/A	N/A	N/A	N/A	N/A
Mr Wui Heck Koon [2]	4	2	3	2	2	0	3	1
Mr Tan Lai Heng	4	3	3	2	2	2	3	2
Mr Karam Singh Parmar	4	4	3	3	2	2	3	3
Mr Phua Sian Chin [3]	4	1	3	1	2	1	3	1

N/A: Not Applicable

(1) Mr Sim Choon Joo was appointed as Executive Director on 11 June 2014.

(2) Mr Wui Heck Koon was appointed as Lead Independent Director on 11 June 2014.

(3) Mr Phua Sian Chin retired as an Independent Director of the Company as he did not seek re-election in the last AGM held on 30 April 2014.

A formal letter of appointment is furnished to every newly appointed director upon their appointment setting out their roles, obligations, duties and responsibilities as members of the Board. Newly appointed Directors undergo an orientation programme with materials provided to help them get familiarised with the business and organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management. Directors may, at any time, request for further explanations through informal discussions on any aspect of the Group's operations or business issues from the Management.

They are briefed on the Company's corporate governance practices, regulatory regime and their duties as Directors. Directors are updated regularly on changes in relevant laws and regulations, developments and business initiatives and challenges related to the Company and industry.

The Company is responsible for arranging and funding the training of Directors. Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, the SGX-ST, business and financial institutions as well as consultants.

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 the Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at 31 December 2014, the Board comprises the following Directors:

Executive Directors

Mr Jason Sim Chon Ang	Executive Chairman and Chief Executive Officer (the "CEO")
Mr Sim Choon Joo	Executive Director

Non-Executive Directors

Mr Wui Heck Koon	Lead Independent Director
Mr Karam Singh Parmar	Independent Director
Mr Tan Lai Heng	Independent Director

There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in law, accounting, finance, business and management and strategic planning. The profile of the Directors is set out on pages 10 and 11 of this Annual Report.

There is therefore a good balance between the Executive and Non-Executive Directors to maintain a strong and independent element on the Board. The Board noted and has complied with the requirement under the 2012 CG Code for independent directors to make up at least half of the Board where the Chairman of the Board and the CEO is the same person. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

The Board through the NC has examined its size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The independence of each Director is reviewed annually by the NC. The NC adopts the definition in the 2012 CG Code and guidelines provided in the Audit Committee Guidance Committee Guidebook as to what constitutes an independent director in its review to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. The NC is of the view that Mr Wui Heck Koon, Mr Karam Singh Parmar and Mr Tan Lai Heng are independent. The Independent Directors do not have any relationships including immediate family relationships with the Directors, the Company, its related corporations, its 10% shareholders or its officers that 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 Company. None of the Independent Directors has served on the Board beyond nine years from the date of his or her first appointment.

The Non-Executive Directors will constructively challenge the Executive Directors and the Management and assist in the development of proposals on strategy, and review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Non-Executive Directors will have discussions amongst themselves without the presence of the Management.

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.

Mr Jason Sim Chon Ang currently assumes the roles of both the Executive Chairman and the CEO. He is responsible for the formulation of the Group's strategic directions and expansion plans, and managing the Group's overall business development.

The Company has not adopted the recommendation of the 2012 CG Code to have different individuals appointed as the Chairman and the CEO. Taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is not necessary to separate the roles of the Executive Chairman and the CEO. The Board is also of the view that with the establishment of the three Board committees, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

The Board has appointed Mr Wui Heck Koon as the Lead Independent Director as well as the Chairman of the AC since 11 June 2014, following the cessation of Mr Phua Sian Chin on 30 April 2014. The Company is thus in compliance with Guideline 3.3(a) of the 2012 CG Code. In accordance with the 2012 CG Code, Mr Wui Heck Koon is available to shareholders when they have concerns that contact through the normal channels of the Executive Chairman and the CEO, and/or Financial Controller has failed to resolve, or for which such contact is inappropriate.

CORPORATE GOVERNANCE REPORT

Board Membership

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

The NC makes recommendation to the Board on all board appointments. The NC comprises three members and all of them are Independent Directors. The members of the NC are as follows:

Mr Karam Singh Parmar	(Chairman)
Mr Wui Heck Koon	(Member)
Mr Tan Lai Heng	(Member)

The nature of the Directors' appointment on the Board and details of their membership on the Board committees as at 31 December 2014 are set out as below:

Board of Directors	Board Membership	Audit	Remuneration	Nominating
Jason Sim Chon Ang	Executive Chairman and CEO	–	–	–
Sim Choon Joo*	Executive Director	–	–	–
Wui Heck Koon*	Lead Independent Director	Chairman	Member	Member
Karam Singh Parmar	Independent Director	Member	Chairman	Chairman
Tan Lai Heng	Independent Director	Member	Member	Member

* *Mr Sim Choon Joo and Mr Wui Heck Koon have subsequently been appointed as Executive Director and Lead Independent Director respectively on 11 June 2014.*

The NC has written terms of reference that describe its duties and the responsibilities of its members.

The principal functions of the NC are as follows:

(a) to review and recommend the nomination or re-nomination of Directors having regard to their contribution and performance;

(b) to determine on an annual basis whether or not a Director is independent;

(c) to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into account the Director's number of listed company Board representations and other principal commitments;

(d) to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board; and

(e) to recommend to the Board the review of board succession plans for the Company's Directors, in particular, for the Chairman and the CEO.

To address the competing time commitments that are faced by the Directors who serve on multiple boards of publicly listed companies, the Board has determined that the maximum number of listed company board representations each Director is allowed to hold is as follows:

(a) six directorships without other executive role; or

(b) four directorships with other executive role(s).

There is no alternate Director on the Board.

The NC also leads the process for the search, identification, evaluation and selection of suitable candidates for new directorship. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board. The NC also reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement and provide diversity to the Board's existing attributes.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. The NC takes into consideration the skills and experience required and the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and abilities when recommending new directors to the Board.

The process for the appointment of new directors begins with the NC, conducting a needs analysis and identifying the critical requirement in terms of expertise and skills that are needed in the context of the strengths and weaknesses of the existing Board. When a candidate has been endorsed by the NC, the NC will then make a recommendation to the Board for the approval of his appointment.

New Directors are appointed only after the NC has reviewed and nominated them by taking into consideration the qualification and experience of each candidate, his/her ability to enhance the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives.

Under the Articles of Association of the Company, all Directors are required to submit themselves for re-nomination and re-election every three years. Directors who retire are eligible to offer themselves for re-election.

The NC assesses and recommends to the Board whether retiring Directors are suitable for re-nomination for re-election. In evaluating a Director's contribution and performance for the purpose of re-nomination, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

The NC has reviewed and is satisfied that Mr Karam Singh Parmar, Mr Wui Heck Koon and Mr Sim Choon Joo who are retiring in accordance with the Articles of Association of the Company at the forthcoming annual general meeting of the Company ("AGM") is properly qualified for re-appointment by virtue of their skills, experience and contributions. The NC has recommended to the Board that Mr Karam Singh Parmar, Mr Wui Heck Koon and Mr Sim Choon Joo be nominated for re-election at the Company's forthcoming AGM.

Each member of the NC has abstained from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director of the Company. In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he will abstain from participating in the review and approval process relating to that matter.

The date of initial appointment and last re-election of each Director, together with his directorships in other listed companies, are set out below:-

Director	Position	Date of Initial Appointment	Date of Last Re-election / Re-appointment	Directorships in other listed companies	
				Current	Past three years
Jason Sim Chon Ang	Executive Chairman and CEO	12/08/2011	12/04/2013	–	–
Sim Choon Joo	Executive Director	11/06/2014	N/A	–	–
Wui Heck Koon	Lead Independent Director	11/06/2014	N/A	–	–
Karam Singh Parmar	Independent Director	26/06/2012	12/04/2013	–	–
Tan Lai Heng	Independent Director	26/06/2012	30/04/2014	Frencken Group Limited	–

CORPORATE GOVERNANCE REPORT

Further key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Directors' Report" sections of this Annual Report respectively.

Board Performance

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

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which addresses how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution from each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

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

The evaluation of the Board is conducted annually. As part of the process, the Directors will complete appraisal forms which are collated by the Company Secretary. The Company Secretary will then review the results of the appraisal and present the results to the Chairman of the NC who will then present a report to the Board.

An individual assessment of each Director is also undertaken annually. The process of the assessment is through self-assessment where each Director will complete appraisal forms which are collated by the Company Secretary. The Company Secretary consolidates the appraisal forms and presents the results to the Chairman of the NC who will then present a report to the Board.

The NC and the Board have reviewed the report and are satisfied that the Board has met its performance objectives and contributed to the development and long-term shareholders' value of the Company for the financial year under review.

Access to Information

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

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board meetings. The Directors are also provided with the contact details of the Management and the Company Secretary to facilitate separate and independent access.

In respect of the annual budgets, any material variances between the projections and actual results are disclosed and explained to the Board by the Management during the Board meetings.

The Company Secretary attends all Board meetings. Together with members of the Management, the Company Secretary is responsible for ensuring that appropriate procedures are followed and that the requirements of the Singapore Companies Act, Cap. 50, and the provisions in the Catalist Rules are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

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 RC comprises three members and all of them are Independent Directors. No Director is involved in deciding his own remuneration. The members of the RC are as follows:

Mr Karam Singh Parmar	(Chairman)
Mr Wui Heck Koon	(Member)
Mr Tan Lai Heng	(Member)

The RC has written terms of reference that describe the responsibilities of its members as follows:

(a) to review and approve the policy for determining the remuneration of the executives of the Group, including that of the Executive Director, Chief Executive Officer and other key management executives;

(b) to review the on-going appropriateness and relevance of our executive remuneration policy and other benefit programmes;

(c) to consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each member of key management (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;

(d) to 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;

(e) to consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each member of key management;

(f) to determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement, to determine each year whether awards will be made under such plans, to review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review, approve and keep under review performance hurdles and/or fulfilment of performance hurdles under such plans;

(g) to approve the remuneration framework (including Directors' fees) for Non-Executive Directors on the relevant boards of directors within the Group; and

(h) to review the remuneration of employees who are related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and to determine the remuneration package for the Executive Director and the CEO. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

In its review, the RC's objective is to establish and maintain a level of remuneration that would be appropriate to attract, retain and motivate the Directors and key management personnel to run the Group successfully. The RC also ensures that the remuneration policies and systems of the Group support the Group's objectives and strategies.

In the case of service contracts, the RC will consider what compensation commitments the Directors' or key management personnel's contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance.

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 has a remuneration policy for the Executive Directors, which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus, which takes into account the performance of the Company and the performance of the Executive Directors. The recommendations of the RC on remuneration of Directors would be submitted for endorsement by the entire Board.

In setting the remuneration packages of the Executive Directors and key management personnel, the Company takes into consideration the remuneration and employment conditions and makes a comparative study of the packages of the Executive Directors and key management personnel in comparable companies/industries as well as the Group's relative performance.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as the variable components of the Executive Directors and key management personnel are moderate. In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedy against the Executive Directors in the event of such breach of fiduciary duties.

The CEO is paid based on his service agreement with the Company as disclosed in the Company's Offer Document dated 13 September 2012. The service agreement is valid for an initial period of three years with effect from 25 September 2012. The service agreement provides for, *inter alia*, termination by either party upon giving not less than six months' notice in writing.

The Independent Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to their level of contribution, taking into account factors such as the effort and time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at each AGM. The Independent Directors do not receive any other remuneration from the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The Company does not have any employee share option scheme or other long-term employee incentive scheme.

Disclosure on Remuneration

Principle 9: ***Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedures 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.***

A breakdown, showing the level and mix of each individual Director's remuneration for FY2014 is as follows:

Remuneration Band and Name of Director	Salary %	Bonus %	Benefits %	Directors' Fees [1] %	Total S$'000
Jason Sim Chon Ang	95	–	5	–	295
Sim Choon Joo [2]	65	–	35	–	57 [3]
Phua Sian Chin	–	–	–	100	12
Wui Heck Koon	–	–	–	100	19
Karam Singh Parmar	–	–	–	100	30
Tan Lai Heng	–	–	–	100	30

(1) The Directors' fees amounting to S$95,000 were approved by the shareholders of the Company at the last AGM held on 30 April 2013. However, the Directors' fees paid out in FY2014 was S$91,111, taking into consideration the time gap between the retirement of Mr Phua Sian Chin as Lead Independent Director on 30 April 2014, and the appointment of Mr Wui Heck Koon as Lead Independent Director on 11 June 2014.

(2) Mr Sim Choon Joo is the brother of Mr Jason Sim Chon Ang, Executive Chairman and CEO of the Company. He was appointed to the Board as Executive Director on 11 June 2014. Prior to his appointment to the Board, Mr Sim Choon Joo was a key management personnel of the Company.

(3) Reflects the Director's remuneration paid out from the date of Mr Sim Choon Joo's appointment on 11 June 2014. Mr Sim Choon Joo's remuneration as a key management personnel for the period from 1 January 2014 to 10 June 2014 was $46,000.

The Company adopts a remuneration strategy that supports pay-for-performance. The Company adopts certain key performance indicators that link with the Company's performance and shareholders' returns. The annual performance review of executives assesses the individual performance and contributions. The remuneration structure for the executives consist of the following components:

- Salary - fixed pay comprises basic salary and statutory contributions
- Bonus - based on Company's and individual performance
- Other benefits – usage of Company's car and other benefits in kind.

A breakdown showing the level and mix of top key management personnel (who are not Directors or CEO) for FY2014 is as follows:

Remuneration Band and Name of Executive [1]	Salary %	Bonus %	Benefits %	Total %
Below S$250,000				
New Sze Wei [2]	100	–	–	100
Chan Mei Lin	100	–	–	100
Andrew Loke Yew Kong	100	–	–	100

(1) The Company has only three key management personnel who are not Directors or CEO.

(2) Mr New Sze Wei (Operations Director) is the brother-in-law of Mr Jason Sim Chon Ang, Executive Chairman and CEO of the Company.

Shareholders' approval will be sought at the forthcoming AGM of the Company on 30 April 2015, for the payment of Directors' fees proposed for the financial year ending 31 December 2015 amounting to an aggregate of S$95,000.

The total remuneration paid to the top key management personnel (who are not Directors or CEO) was S$280,674 for FY2014. This included Mr Sim Choon Joo's remuneration as a key management personnel for the period from 1 January 2014 to I0 June 2014.

There are no termination, retirement and post-employment benefits granted to the Directors, the CEO or the top key management personnel.

Save for Mr Sim Choon Joo who is the brother of the CEO, and Mr New Sze Wei, who is the brother-in-law of the CEO, no other employee of the Group whose remuneration exceeds S$50,000 during FY2014 is an immediate family member of any of the Directors.

ACCOUNTABILITY AND AUDIT

Accountability

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

In line with the continuing disclosure obligations of the Company under the Catalist Rules, it is the Board's policy that shareholders be informed of all major developments of the Company. Information is presented to shareholders on a timely basis through SGXNet. In presenting the annual reports of the Company, and the half-year and full-year financial results announcements to the shareholders of the Company, it is the responsibility of the Board to provide the shareholders with a balanced and understandable assessment of the Group's financial position, performance and prospects.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations on a periodical basis to enable the Board to make a balanced and informed assessment of the Group's financial position, performance and prospects. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making.

Aside from adopting corporate governance practices in line with the spirit of the 2012 CG Code, the Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosures under the Catalist Rules.

Risk Management and Internal Controls

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

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

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

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

The AC oversees risk governance which includes the following roles and responsibilities:

(a) proposes the risk governance approach and risk policies for the Group to the Board;

(b) reviews the risk management methodology adopted by the Group;

(c) reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by the Management and;

(d) reviews the Management's assessment of risks and the Management's action plans to mitigate such risks.

The Management engaged Yang Lee & Associates to perform an Enterprise Risk Assessment exercise during FY2013. A report was presented to the AC and the Board on the Group's risk profile and the risk mitigation action plans for the financial year.

The Board has obtained a written confirmation from the CEO and the Financial Controller:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) regarding the effectiveness of the Group's risk management systems and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, various Board committees and the Board, the AC and the Board are of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems were adequate as at 31 December 2014.

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

CORPORATE GOVERNANCE REPORT

Audit Committee

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

The AC comprises three members and all of them are Independent Directors.

Mr Wui Heck Koon	(Chairman)
Mr Karam Singh Parmar	(Member)
Mr Tan Lai Heng	(Member)

The AC has written terms of reference that describe the responsibilities of its members. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties.

The AC assists the Board in discharging its responsibilities to safeguard the assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC provides a channel of communication between the Board, the Management and the external auditors on matters relating to audit.

The AC meets periodically, *inter alia*, to:

(a) review the audit plans of the external auditors and internal auditors, including the results of the external auditors and internal auditors' review and evaluation of the system of internal controls of the Group;

(b) review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the external auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

(c) review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the Catalist Rules before submission to the Board for approval;

(d) review and discuss with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) review the co-operation given by the Management to the external auditors;

(f) consider the appointment or re-appointment of the external auditors;

(g) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;

(h) review any potential conflicts of interests;

(i) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;

(j) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time; and

(l) oversee risk governance (refer to detailed disclosure under Principle 11).

Apart from the duties listed above, the AC will commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC will also commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any). Prior to the decommissioning of such annual audit, the Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by the AC as and when it deems fit to satisfy itself that the Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNet of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by the Board.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Directors or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2014 in the discharge of its functions and duties including the deliberation and review of:

- the unaudited half year and full year financial results of the Group and announcements prior submission to the Board for approval and release the results to SGX;
- the internal and external audit plans in terms of their scope of audit prior to their commencement of their annual audit;
- the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without the presence of the Executive DIrectors and the Management;
- the adequacy and effectiveness of the Group's internal audit function;
- the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval;
- the external audit and internal audit fees for FY2014 and recommendation to the Board for approval;
- the independence and re-appointment of the external auditors and recommendation to the Board for approval;
- Interested person transactions falling within the scope of Chapters 9 and 10 of Catalist Rules and any potential conflicts of interests;
- the performance of the Financial Controller;
- the Whistle-Blowing Policy of the Group and procedures by which employees of the Group and any other persons could report the possible improprieties to the AC Chairman;
- the Group Risk Management Framework; and
- the Enterprise Risk Assessment report.

The AC meets with the external and internal auditors, without the presence of the Management, at least once a year.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. During FY2014, the aggregate amount of fees paid or payable to the external auditors for audit services amounted to S$83,400.

For FY2014, the AC has reviewed and is satisfied with the independence and objectivity of the external auditors. In the AC's opinion, BDO LLP is suitable for re-appointment and it has accordingly recommended to the Board that BDO LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM to be held on 30 April 2015.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC.

The Board has, on the recommendation of the AC, implemented a whistle-blowing policy whereby the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware. No such whistle-blowing letter was received in FY2014.

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 AC approves the hiring, removal, evaluation and remuneration of the consultancy firm to which the internal audit function is outsourced.

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

The IA has unfettered access to all 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 the Management provides the necessary co-operation to enable the IA to perform its function.

The AC periodically assesses the composition of the IA staff performing the internal audit to ensure they have the relevant qualifications and experience for their planned scope of work.

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

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

The IA completed one review for FY2014 in accordance with the internal audit plan approved by the AC. The findings and recommendations of the IA, the Management's responses, and the Management's implementation of the recommendations have been reviewed and discussed with the AC.

Shareholder Rights and Responsibilities

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

The Company's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, especially 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 shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in a major local newspaper and posted onto the SGXNet on the day of despatch of the annual reports or circulars to shareholders. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

All shareholders are entitled to vote in accordance with the established voting rules and procedures.

The Articles of Association of the Company also allow shareholders to appoint up to two proxies in their absence to attend and vote on their behalf at the general meetings. In addition, shareholders who hold shares through custodial institutions may attend the general meetings as observers.

Communication with Shareholders

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 is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Singapore Companies Act, Cap. 50, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNet either before the Company meets with any investor or analyst, or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

The Company currently does not have a fixed dividend policy as the form, frequency and amount of dividends depends on the Company's performance. The Management after reviewing the performance of the Company in the relevant financial period will make appropriate recommendations to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNet. As the Company had just returned to profitability in FY2014, the Board has recommended that the cash generated be conserved for the Group's working capital needs and re-investments. In this regard, the Company did not recommend any dividend payout for FY2014.

Conduct of Shareholder Meetings

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

Shareholders are given the opportunity and time to voice their views and ask the Directors or the Management pertinent questions at the Company's AGMs and other general meetings. The Chairman of the Board and each Board committee is required to be present to address questions at the AGMs and other general meetings. External auditors are also present at such meeting to assist the Directors to address shareholders' queries, if necessary.

The Articles of Association of the Company allow for any shareholder of the Company, if he/she is unable to attend the meeting, to appoint up to two proxies to attend and vote on their behalf at the meeting through proxy forms sent in advance. The Articles of Association of the Company currently do not allow a shareholder to vote in absentia.

The proceeding of the general meetings will be properly recorded, including all comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management, and to make these minutes available to shareholders upon their request.

Resolutions are, as far as possible, structured separately and voted on independently. Shareholders are invited to put forth any questions they may have on the motions to be debated and decided upon.

The Board is of the view that voting by poll is time-consuming and would increase the cost of holding general meetings. However, the Board will continue to study the feasibility of conducting poll voting in general meetings on a case to case basis. Unless the context otherwise requires or a poll is demanded in accordance with the provision of the Articles of Association of the Company, the Company shall continue to conduct its votes on a show of hands, for the time being. The Board will adhere to the requirements of the Catalist Rules where all resolutions are to be voted by poll for general meetings held on and after 1 August 2015.

The results of all general meetings are released on SGXNet on the same day.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted policies in line with the requirements of the Catalist Rules on dealings in the Company's securities.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information of the Group. They are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

Save for (i) provision of guarantees by Mr Jason Sim Chon Ang (Executive Chairman and CEO), and his associate, Mr Sim Choon Joo (Executive Director); (ii) advances from Mr Jason Sim Chon Ang, which are interest-free; and (iii) provision of indemnities by Mr Jason Sim Chon Ang, and his associate, Mr Sim Choon Joo, for security bonds for foreign workers which are transactions still subsisting at the end of FY2014, there were no other interested person transactions entered into by the Group during FY2014.

Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd., for FY2014.

Material Contracts

Save as disclosed above in the section entitled "Interested Person Transactions", there were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, either still subsisting at the end of FY2014 or if not then subsisting, which were entered into since the end of the previous financial year ended 31 December 2013.

Use of Proceeds from Initial Public Offering ("IPO")

As at the date of this annual report, the Company has fully utilised the proceeds raised by the Company from the IPO of the Company's shares on the Catalist.

The details of the utilisation of the proceeds are as follows:

Use of Net Proceeds	Intended use of Net Proceeds ($'000)	Cumulative amount utilised up to 27 February 2015 (as disclosed in the Full Year 2014 Result Announcement) ($'000)	Net Proceeds utilised since 27 February 2015 up to the date of this annual report ($'000)	Balance of Net Proceeds as at the date of this annual report ($'000)
To fund possible acquisitions, joint ventures and/ or strategic alliances when opportunities arise	500	356	144	–
For general working capital purposes of the Group [(1)]	2,420	2,420	–	–
Total	**2,920**	**2,776**	**144**	**–**

(1) The IPO proceeds for general working capital purposes were used for operations.

Corporate Social Responsibility

The Group is strongly committed to conserving the environment. The Group supports initiatives by its customers to design and construct green, sustainable buildings by offering environmentally-friendly products such as wood-plastic composite products which are made of recycled products, and using environmentally-friendly finishes such as waterbased solvents in the process of installation. The Group will continue to further expand its range of products to include more environmentally-friendly products, such as timber sourced from sustainable forests, and to adopt more environmentally-friendly practices such as recycling previously installed wooden floors.

The Group also believes in reaching out to and motivating young people. The Executive Chairman and CEO of the Company, Mr Jason Sim Chon Ang, has given motivational talks at educational institutions and conferences for trade associations and small-to-medium size enterprises, and has represented the Group at several events.

REPORT OF DIRECTORS

The Directors of the Company present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position of the Company as at 31 December 2014.

1. Directors

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

Jason Sim Chon Ang	
Sim Choon Joo	(Appointed on 11 June 2014)
Wui Heck Koon	(Appointed on 11 June 2014)
Karam Singh Parmar	
Tan Lai Heng	

2. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is 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.

3. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

Name of directors and company in which interests are held	Shareholdings registered in name of director	
	At 1 January 2014 or date of appointment, if later	At 31 December 2014
The Company		
(Number of ordinary shares)		
Jason Sim Chon Ang	51,914,000	103,828,000
Sim Choon Joo	2,700,000	5,400,000

By virtue of Section 7 of the Act, Jason Sim Chon Ang is deemed to have an interest in all related corporations of the Company as at the beginning and at end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interests as at 21 January 2015 in the shares of the Company have not changed from those disclosed as at 31 December 2014.

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under options as at the end of the financial year.

6. Audit committee

The Audit Committee comprises the following members, who are all non-executive Independent Directors. The members of the Audit Committee during the financial year and at the date of this report are:

Phua Sian Chin (Chairman) (retired on 30 April 2014)
Wui Heck Koon (Chairman) (appointed on 11 June 2014)
Tan Lai Heng
Karam Singh Parmar

The Audit Committee performs the functions specified in Section 201B (5) of the Act. In performing those functions, the Audit Committee reviewed the audit plans of the internal and external auditors and the overall scope of examination by the auditors of the Group and of the Company. The Audit Committee also reviewed the independence of the external auditors of the Company and the nature and extent of the non-audit services provided by the external auditors.

The Audit Committee also reviewed the assistance provided by the Company's officers to the external auditors and the consolidated financial statements of the Group and the statement of financial position of the Company as well as the Independent Auditor's Report thereon prior to their submission to the Directors of the Company for adoption and reviewed the interested person transactions as defined in Chapter 9 of the Listing Manual - Rules of Catalist of the Singapore Exchange Securities Trading Limited.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It has also full discretion to invite any Director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

REPORT OF DIRECTORS

7. Auditor

The auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Jason Sim Chon Ang
Director

Sim Choon Joo
Director

Singapore

26 March 2015

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

(a) the accompanying financial statements comprising the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group for the financial year ended on that date; 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.

On behalf of the Board of Directors

Jason Sim Chon Ang
Director

Sim Choon Joo
Director

Singapore

26 March 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Jason Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Jason Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 39 to 87.

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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

26 March 2015

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group		Company	
		2014	2013	2014	2013
		$	$	$	$
Non-current assets					
Property, plant and equipment	4	2,355,754	2,575,031	–	–
Intangible asset	5	55,777	144,499	–	–
Investment in subsidiaries	6	–	–	5,587,914	5,587,914
Total non-current assets		2,411,531	2,719,530	5,587,914	5,587,914
Current assets					
Inventories	7	10,536,399	10,599,396	–	–
Trade and other receivables	8	31,486,639	29,114,241	2,779,763	2,753,708
Prepayments		201,790	43,570	121,220	29,990
Tax recoverable		–	170,056	–	–
Cash and bank balances	9	255,361	7,231,885	10,553	38,189
Total current assets		42,480,189	47,159,148	2,911,536	2,821,887
Less:					
Current liabilities					
Trade and other payables	10	6,464,158	7,953,884	190,595	4,694
Amount due to a corporate shareholder	11	1,312,967	1,312,967	–	–
Amount due to a director of the Company	12	1,671,882	1,071,882	–	–
Borrowings	13	14,533,009	18,545,091	–	–
Current income tax payable		–	–	–	31,193
Total current liabilities		23,982,016	28,883,824	190,595	35,887
Net current assets		18,498,173	18,275,324	2,720,941	2,786,000
Non-current liabilities					
Borrowings	13	6,138,506	6,644,049	–	–
Deferred tax liability	14	14,968	14,968	–	–
Total non-current liabilities		6,153,474	6,659,017	–	–
Net assets		14,756,230	14,335,837	8,308,855	8,373,914
Equity					
Share capital	15	9,144,696	9,144,696	9,144,696	9,144,696
Retained earnings/(accumulated losses)		5,579,851	5,161,749	(835,841)	(770,782)
Equity attributable to owners of the Parent		14,724,547	14,306,445	8,308,855	8,373,914
Non-controlling interest		31,683	29,392	–	–
Total equity		14,756,230	14,335,837	8,308,855	8,373,914

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2014

	Note	2014 $	2013 $
Revenue	16	40,135,766	32,991,608
Cost of sales		(32,374,743)	(27,146,342)
Gross profit		7,761,023	5,845,266
Other items of income			
Interest income		6,845	230
Other income	17	392,644	147,131
Other items of expense			
Selling and distribution expenses		(73,938)	(181,240)
Administrative expenses		(5,015,234)	(4,184,744)
Other expenses		(2,141,320)	(3,010,626)
Finance costs	18	(517,829)	(512,444)
Profit/(loss) before income tax	19	412,191	(1,896,427)
Income tax credit/(expense)	20	8,202	(7,846)
Profit/(loss) for the financial year, representing total comprehensive income for the financial year		420,393	(1,904,273)
Total comprehensive income attributable to:			
Owners of the parent		418,102	(1,841,720)
Non-controlling interest		2,291	(62,553)
		420,393	(1,904,273)
Earnings/(loss) per share			
Basic and diluted (cents)	21	0.19	(0.85)

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2014

Group	Note	Share capital $	Retained earnings $	Non-controlling interest $	Total equity $
Balance at 1 January 2014		9,144,696	5,161,749	29,392	14,335,837
Profit for the financial year		–	418,102	2,291	420,393
Total comprehensive income for the financial year		–	418,102	2,291	420,393
Balance at 31 December 2014		9,144,696	5,579,851	31,683	14,756,230
Balance at 1 January 2013		9,144,696	7,003,469	–	16,148,165
Loss for the financial year		–	(1,841,720)	(62,553)	(1,904,273)
Total comprehensive income for the financial year		–	(1,841,720)	(62,553)	(1,904,273)
Changes in ownership interest in subsidiary:					
Acquisition of a subsidiary with non-controlling interest	22	–	–	91,945	91,945
Total transactions with owners		–	–	91,945	91,945
Balance at 31 December 2013		9,144,696	5,161,749	29,392	14,335,837

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 December 2014

	Note	2014 $	2013 $
Operating activities			
Profit/(loss) before income tax		412,191	(1,896,427)
Adjustments for:			
Amortisation of intangible asset	5	91,272	105,353
(Write back of)/allowance for doubtful trade and other receivables, net	8	(15,013)	893,580
Trade receivables written off – third parties		–	191,818
Depreciation of property, plant and equipment	4	300,241	308,817
Gain on disposal of property, plant and equipment	17	(21,559)	–
Interest expense	18	517,829	512,444
Interest income		(6,845)	(230)
Impairment loss on goodwill	22	–	87,084
Unrealised exchange difference	19	77,981	–
Operating cash flows before working capital changes		1,356,097	202,439
Working capital changes:			
Inventories		62,997	(1,636,417)
Trade and other receivables		(2,311,608)	(2,806,521)
Prepayments		(158,220)	(26,440)
Amount due to a corporate shareholder		–	(12,267)
Amount due to a director of the Company		–	(36,130)
Trade and other payables		(1,490,296)	1,603,514
Cash absorbed by operations		(2,541,030)	(2,711,822)
Interest received		6,845	230
Interest paid		(517,829)	(512,444)
Income tax refund		201,249	–
Income taxes paid		(22,991)	(262,681)
Net cash used in operating activities		(2,873,756)	(3,486,717)
Investing activities			
Purchase of property, plant and equipment	4	(103,763)	(56,926)
Purchase of intangible asset	5	(2,550)	(70,313)
Acquisition of subsidiary, net of cash acquired	22	–	(96,506)
Proceeds from disposal of property, plant and equipment		80,319	–
Net cash used in investing activities		(25,994)	(223,745)
Financing activities			
Advance from a director of the Company		600,000	–
Repayment of finance lease obligations		(164,711)	(88,907)
Proceeds from borrowings		49,914,017	61,162,002
Repayment of borrowings		(54,767,858)	(51,286,446)
Net cash (used in)/generated from financing activities		(4,418,552)	9,786,649
Net change in cash and cash equivalents		(7,318,302)	6,076,187
Cash and cash equivalents at beginning of financial year		7,231,885	1,155,698
Cash and cash equivalents at end of financial year	9	(86,417)	7,231,885

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

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

1. General corporate information

Jason Holdings Limited (the "Company") (Registration number 201119167Z) is a limited liability company incorporated and domiciled in Singapore. The address of the Company's registered office and principal place of business is at 16 Tampines Street 92, JP Building, Singapore 528873.

The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited on 25 September 2012.

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

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2014 were authorised for issue by the Board of Directors on 26 March 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS (INT FRS) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior years, except as detailed below.

FRS 110 *Consolidated Financial Statements* and FRS 27 (Revised) *Separate Financial Statements*

FRS 110 introduces a single new control model, as the basis for determining which entities are consolidated in the Group's financial statements. Under FRS 110, control exists when the Group has:

- power over an investee;
- exposure, or rights, to variable returns from the investee; and
- the ability to use its power over an investee to affect the Group's returns from the investee.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 110 *Consolidated Financial Statements* and FRS 27 (Revised) *Separate Financial Statements* (Continued)

The Group has applied FRS 110 retrospectively, in accordance with the transitional provisions of FRS 110 and changed its accounting policy for determining whether it has control over an entity and whether it is required to consolidate that interest. The adoption of FRS 110 did not result in any changes to the control conclusions reached by the Group in respect of its involvement with other entities as at the date of initial adoption on 1 January 2014. The adoption of FRS 27 (Revised) did not result in any material changes to the Group's or the Company's financial statements.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries, associates, joint arrangements and unconsolidated structured entities. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance. Certain new disclosures are included in these financial statements following adoption of FRS 112 on 1 January 2014.

FRS and INT FRS issued but not yet effective

As at the date of authorisation of these financial statements, the Group and the Company have not adopted the following relevant FRS and INT FRS that were issued but not yet effective:

			Effective date (annual periods beginning on or after)
Improvements to FRSs (January 2014)			1 July 2014
Improvements to FRSs (February 2014)			1 July 2014
Improvements to FRSs (November 2014)			1 January 2016
FRS 1 (Amendments)	:	Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	:	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27 (Amendments)	:	Equity Method in Separate Financial Statements	1 January 2016
FRS 115	:	Revenue from Contracts with Customers	1 January 2017
FRS 109	:	Financial Instruments	1 January 2018

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

The Group and the Company expect that the adoption of the above FRS and INT FRS, if applicable, will have no material impact on the financial statements of the Group and Company in the period of their initial adoption, except as disclosed below.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 109 *Financial Instruments*

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 115 *Revenue from Contracts with Customers* (Continued)

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Company. Due to the recent release of this standard, the Company has not yet made a detailed assessment of the impact of this standard. The Company plans to adopt the standard in the financial year beginning on 1 January 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

FRS 103 Business Combinations – Accounting for contingent consideration in a business combination [Improvements to FRS (January 2014 and February 2014)]

FRS 103 has been amended to clarify that contingent consideration arising from a business combination is assessed as either a liability or an equity instrument, and if it is not classified as equity, must be subsequently measured at fair value at each reporting date with changes taken to profit or loss.

The Group will apply these amendments prospectively for business combinations taking place on/after 1 January 2015.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by to the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

In the separate financial statements of the Company, investments in subsidiaries, less any impairment loss that has been recognised in profit or loss.

Business combinations from 1 January 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

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

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

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

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholders' financial statements. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and share capital of acquiree is recognised directly to equity.

2.3 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

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

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

	Years
Leasehold land and building	Lease term of 30 years
Furniture and fittings	3-5
Motor vehicles	5-6
Office equipment	3-5
Computers	3-5
Tools and equipment	3-5
Renovation	3-5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

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

2. Summary of significant accounting policies (Continued)

2.4 Intangible assets

Computer software license

Computer software license is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software license is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is calculated using the straight-line method to allocate the amount of computer software over its estimated useful life of 3 years.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred (see Note 2.2), the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill on acquisition of subsidiary prior to 1 January 2010 represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

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

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2.5 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Summary of significant accounting policies (Continued)

2.5 Impairment of non-financial assets excluding goodwill (Continued)

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

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average method and includes all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the ordinary course of business less estimated costs of completion and costs incurred in marketing and distribution. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.7 Financial assets

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the purpose of which the assets are acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of each reporting period, where allowed and appropriate.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables in the statements of financial position comprise trade and other receivables and cash and bank balances.

Recognition and derecognition

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit 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 and the Company have transferred substantially all risks and rewards of ownership.

On derecognition of financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.7 Financial assets (Continued)

Loans and receivables (Continued)

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loan and receivables are carried at amortise cost using the effective interest method, less impairment loss, if any.

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

Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

2.8 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits. In the statements of financial position, bank overdrafts are presented within borrowings under current liabilities.

2.9 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. Summary of significant accounting policies (Continued)

2.9 Financial liabilities (Continued)

The accounting policies adopted for other financial liabilities are set out below:

(i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction costs, for goods received or services rendered, whether or not billed to the Group and the Company, and are subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(ii) Borrowings

Borrowings are initially recognised at the fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest method. 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.

Borrowings which are due to be settled within 12 months after the end of reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.10 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2. Summary of significant accounting policies (Continued)

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms and excluding rebates, discounts and sales related taxes.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Installation services

Revenue from installation services which includes the supply of materials is recognised by reference to the initial amount of revenue agreed in the contract, variations in contract work and stage of completion to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Stage of completion is determined by reference to the physical stage of completion of the installation and based on the value of the materials to be supplied and installed as agreed in the contract.

Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

Rental Income

Rental income under operating lease is recognised on a straight-line basis over the lease term.

Interest income

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

2.12 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

2.13 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.14 Leases

Finance leases

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

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

Operating leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.15 Borrowing costs

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

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

2.16 Income tax

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

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (Continued)

2.16 Income tax (Continued)

Deferred tax

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

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

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. Summary of significant accounting policies (Continued)

2.17 Foreign currency transactions

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

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

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

2.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

In the process of applying the Group's and the Company's accounting policies, the management is in the opinion, that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Impairment of investment in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 in determining whether an investment in subsidiary or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment or a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

(ii) Installation services

The Group recognises installation revenue to the extent of installation costs incurred where it is probable that those costs will be recoverable and based on the stage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the installation work.

Significant judgement is required in determining the stage of completion, the extent of the installation cost incurred, the estimated total installation revenue and installation cost, as well as the recoverability of the installations. Total installation revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

3.2 Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 30 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2014 was $2,355,754 (2013: $2,575,031). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "weighted average" method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 December 2014 was $10,536,399 (2013: $10,599,396).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iii) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of the customers were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2014 were $31,486,639 (2013: $29,114,241) and $2,779,763 (2013: $2,753,708) respectively.

(iv) Income tax

The Group and the Company recognise expected liabilities for income tax based on estimation of the likely tax payable, which requires significant judgement as to the ultimate tax determination of certain items. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax expense and deferred tax provision in the financial year in which such determination is made. The carrying amount of the Group's current tax recoverable as at 31 December 2014 was $Nil (2013: $170,056). The carrying amount of the Group's deferred tax liabilities as at 31 December 2014 were $14,968 (2013: $14,968).

(v) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)
Level 2: Observable direct or indirect inputs other than Level 1 inputs
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detailed information in relation to the fair value measurement of the items above including the carrying amounts and the estimation uncertainty involved, please refer to the applicable notes.

4. Property, plant and equipment

Group	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	$	$	$	$	$	$	$	$
Cost								
Balance at 1 January 2014	3,260,243	103,800	1,154,612	66,354	191,303	840,857	98,941	5,716,110
Additions	14,178	24,077	–	77,614	9,710	11,060	3,085	139,724
Disposal	–	–	(192,300)	–	–	–	–	(192,300)
Balance at 31 December 2014	3,274,421	127,877	962,312	143,968	201,013	851,917	102,026	5,663,534
Accumulated depreciation								
Balance at 1 January 2014	1,231,300	91,605	794,961	56,788	135,868	817,390	13,167	3,141,079
Depreciation charge for the year	108,963	6,187	97,882	20,007	23,401	19,341	24,460	300,241
Disposal	–	–	(133,540)	–	–	–	–	(133,540)
Balance at 31 December 2014	1,340,263	97,792	759,303	76,795	159,269	836,731	37,627	3,307,780
Net carrying amount								
Balance at 31 December 2014	1,934,158	30,085	203,009	67,173	41,744	15,186	64,399	2,355,754
Cost								
Balance at 1 January 2013	3,246,543	90,500	1,088,137	56,422	141,477	833,357	–	5,456,436
Acquisition of subsidiary (Note 22)	–	11,143	66,475	3,427	39,176	–	82,527	202,748
Additions	13,700	2,157	–	6,505	10,650	7,500	16,414	56,926
Balance at 31 December 2013	3,260,243	103,800	1,154,612	66,354	191,303	840,857	98,941	5,716,110
Accumulated depreciation								
Balance at 1 January 2013	1,122,838	90,500	670,101	53,944	110,585	784,294	–	2,832,262
Depreciation charge for the year	108,462	1,105	124,860	2,844	25,283	33,096	13,167	308,817
Balance at 31 December 2013	1,231,300	91,605	794,961	56,788	135,868	817,390	13,167	3,141,079
Net carrying amount								
Balance at 31 December 2013	2,028,943	12,195	359,651	9,566	55,435	23,467	85,774	2,575,031

As at 31 December 2014, the Group has motor vehicles under finance lease obligations with net carrying amounts of $203,009 (2013: $359,651). Finance lease assets are pledged as security for the related finance lease payables (Note 13).

As at 31 December 2014, the Group's leasehold land and building with net carrying amount of $1,934,158 (2013: $2,028,943) is charged by way of legal mortgage for banking facilities granted to the Group (Note 13).

4. Property, plant and equipment (Continued)

For the purpose of the consolidated statement of cash flows, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2014	2013
	$	$
Additions of property, plant and equipment	139,724	56,926
Acquired under finance lease agreements	(35,961)	–
Cash payments to acquire property, plant and equipment	103,763	56,926

5. Intangible asset

	Group	
	2014	2013
	$	$
Computer software		
Cost		
Balance at beginning of financial year	335,471	265,158
Additions	2,550	70,313
Balance at end of financial year	338,021	335,471
Accumulated amortisation		
Balance at beginning of financial year	190,972	85,619
Amortisation charge for the year	91,272	105,353
Balance at end of financial year	282,244	190,972
Net carrying amount		
Balance at end of financial year	55,777	144,499

6. Investment in subsidiaries

	Group	
	2014	2013
	$	$
Unquoted equity shares, at cost	5,587,914	5,587,914

6. Investment in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest	
		2014	2013	2014	2013
		%	%	%	%
Jason Parquet Specialist (Singapore) Pte Ltd [1] (Singapore)	Business of renovation contractors and distribution in timber flooring products	100	100	–	–
White Cubic Pte Ltd [1] (Singapore)	Business of renovation contractors and provider of marble and granite flooring products	60	60	40	40

(1) Audited by BDO LLP, Singapore

In the previous financial year, the Company entered into a subscription agreement with the shareholder of White Cubic Pte Ltd on 15 July 2013 to subscribe to the issued and paid-up capital of White Cubic Pte Ltd, comprising 225,000 ordinary shares, being 60% of the equity interest, for a consideration of $225,000 on 15 August 2013 (Note 22).

Non-controlling interest

Summarised financial information in relation to the subsidiary, White Cubic Pte Ltd, that has non-controlling interest ("NCI") that is material to the Group, before intra-group eliminations and together with amounts attributed to NCI, is presented below:

Summarised statement of comprehensive income for the year:

	2014	2013
	$	$
Revenue	3,528,776	1,562,864
Profit/(loss) before income tax	5,729	(316,690)
Profit/(loss) after income tax for the year, representing total comprehensive income	5,729	(316,690)
Profit/(loss) after income tax for the year, representing total comprehensive income attributable to NCI	2,292	(126,676)

6. Investment in subsidiaries (Continued)

Summarised financial information in relation to the subsidiary that has non-controlling interest ("NCI") that is material to the Group, before intra-group eliminations and together with amounts attributed to NCI, is presented below: (Continued)

Summarised statement of financial position as at 31 December:

	2014 $	2013 $
Assets:		
Non-current assets	176,842	185,721
Current assets	896,455	1,081,476
Total assets	1,073,297	1,267,197
Liabilities:		
Non-current liabilities	17,560	14,428
Current liabilities	976,529	1,179,290
Total liabilties	994,089	1,193,718
Net assets	79,208	73,479
Attributable to:		
Equity holders of parent	47,525	44,087
Accumulated non-controlling interest	31,683	29,392

Summarised statement of cash flows for the financial year:

	2014 $	2013 $
Cash (outflows)/inflows from operating activities	(43,469)	14,264
Cash outflows from investing activities	(19,404)	(150,163)
Cash (outflows)/inflows from financing activities	(26,879)	296,182
Net cash (outflows)/inflows	(89,752)	160,283

7. Inventories

	Group	
	2014 $	2013 $
Accessories	826,105	777,293
Timber materials	9,562,156	9,536,610
Marble materials	148,138	285,493
	10,536,399	10,599,396

8. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade receivables (third parties)			–	–
– Receivables	5,885,743	4,479,879	–	–
– Accrued income	15,894,711	16,952,760	–	–
– Retention sum	5,381,554	5,142,613	–	–
Allowance for doubtful trade receivables	(1,165,915)	(1,495,972)	–	–
	25,996,093	25,079,280	–	–
Other receivables - third parties	10,165	645	–	–
Advance to suppliers	5,488,606	3,723,617	–	–
Deposits	262,794	232,771	–	–
Staff loans	44,025	77,928	–	–
Amount due from subsidiaries	–	–	2,779,763	2,753,708
Allowance for doubtful other receivables	(315,044)	–	–	–
Total trade and other receivables	31,486,639	29,114,241	2,779,763	2,753,708
Add: Cash and bank balances (Note 9)	255,361	7,231,885	10,553	38,189
Total loans and receivables	31,742,000	36,346,126	2,790,316	2,791,897

Trade receivables are unsecured, non-interest bearing and generally on 30 to 120 (2013: 30 to 120) days' credit terms.

Deposits are mainly in respect of payments to suppliers as security for the purchase of goods and rental deposits.

Amount due from subsidiaries are non-trade in nature, unsecured, interest free, repayable on demand and are to be settled in cash.

Movements in allowance for doubtful third parties trade receivables were as follows:

	Group	
	2014	2013
	$	$
Balance at beginning of financial year	1,495,972	807,779
Allowance made during the financial year	–	893,580
Bad debts written off	–	(205,387)
Write back of allowance	(330,057)	–
Balance at end of financial year	1,165,915	1,495,972

Trade receivables which are individually determined to be impaired relates to trade receivables that are in significant financial difficulties and have defaulted on payments. As at reporting date, allowance for doubtful debts relates to trade receivables and accrued income individually impaired amounting to $622,923 (2013: $637,935) and $542,992 (2013: $858,037), respectively.

8. Trade and other receivables (Continued)

As at reporting date, a director of the Company has undertaken to indemnify and hold harmless the Group losses which may arise from two (2013: one) customers with amounts owing of approximately $1,886,000 (2013: $658,000) to the Group.

Movements in allowance for doubtful other receivables:

	Group	
	2014	2013
	$	$
Other receivables		
Balance at beginning of financial year	–	–
Allowance made during the financial year	315,044	–
Balance at end of financial year	315,044	–

During the financial year, the Group provided allowance for doubtful receivables on advances to a supplier that has defaulted on repayment.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Malaysia Ringgit	11,714	–	–	–
United States dollar	1,357,631	484,599	–	–
Singapore dollar	30,117,294	28,629,642	2,779,763	2,753,708
	31,486,639	29,114,241	2,779,763	2,753,708

9. Cash and bank balances

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash and bank balances	255,361	7,231,885	10,553	38,189
Bank overdraft (Note 13)	(341,778)	–	–	–
Cash and cash equivalents as per consolidated statement of cash flows	(86,417)	7,231,885	10,553	38,189

Cash and bank balances are denominated in the following currencies:

Malaysia Ringgit	71	78	–	–
Euro	1,723	1,870	–	–
United States dollar	13,762	359,587	–	–
Singapore dollar	239,805	6,870,350	10,553	38,189
	255,361	7,231,885	10,553	38,189

10. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade payables - third parties	5,044,160	5,277,206	–	–
Deposits from customers	3,500	1,541,712	–	–
Accrued operating expenses	810,528	659,516	–	–
Other payables - third parties	605,970	475,450	190,595	4,694
Total trade and other payables	6,464,158	7,953,884	190,595	4,694
Add: Amount due to a corporate shareholder (Note 11)	1,312,967	1,312,967	–	–
Amount due to a director of the Company (Note 12)	1,671,882	1,071,882	–	–
Borrowings (Note 13)	20,671,515	25,189,140	–	–
Total financial liabilities carried at amortised cost	30,120,522	35,527,873	190,595	4,694

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 (2013: 30 to 90) days' credit terms.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
United States dollar	14,606	–	–	–
Malaysia Ringgit	131,914	110,712	–	–
Singapore dollar	6,317,638	7,843,172	190,595	4,694
	6,464,158	7,953,884	190,595	4,694

11. Amount due to a corporate shareholder

Amount due to a corporate shareholder is non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash.

The amount due to a corporate shareholder is denominated in Singapore dollar.

12. Amount due to a director of the Company

The amount due to a director of the Company is non-trade in nature, unsecured, interest-free, repayable on demand and are to be settled in cash.

The amount due to a director of the Company is denominated in Singapore dollar.

13. Borrowings

	Group	
	2014	2013
	$	$
Current liabilities		
Secured		
Finance lease liabilities	72,642	102,980
Property loan	407,119	405,840
	479,761	508,820
Unsecured		
Bank overdraft	341,778	–
Short term loan	–	500,000
Trust receipts	8,478,486	7,870,899
Trade receivable financing	5,232,984	9,665,372
	14,053,248	18,036,271
Total current liabilities	14,533,009	18,545,091
Non-current liabilities		
Secured		
Finance lease liabilities	151,477	249,889
Property loan	5,987,029	6,394,160
Total non-current liabilities	6,138,506	6,644,049
Total borrowings	20,671,515	25,189,140

(i) Average effective interest rate

The average effective interest rates per annum on the borrowings during the financial year are as follows:

	Group	
	2014	2013
	%	%
Finance lease liabilities	2.99 - 7.58	2.99 - 5.97
Trust receipts	2.05 - 3.06	2.05 - 3.06
Trade receivable financing	2.05 - 3.06	2.27 - 3.18
Short term loan	Nil	3.27
Property loan	1.75	1.55
Bank overdraft	6.00	5.50 - 6.00

13. Borrowings (Continued)

(ii) Finance lease liabilities

As at reporting date, the Group had obligations under finance leases that are payable as follows:

Group	Minimum lease payments $	Future finance charges $	Present value of minimum lease payments $
2014			
Current liabilities			
Within one financial year	80,653	(8,011)	72,642
Non-current liabilities			
After one financial year but within five financial years	160,778	(9,301)	151,477
	241,431	(17,312)	224,119
2013			
Current liabilities			
Within one financial year	114,916	(11,936)	102,980
Non-current liabilities			
After one financial year but within five financial years	281,286	(31,397)	249,889
	396,202	(43,333)	352,869

Finance lease liabilities are due to financial institutions.

The finance lease term ranges from 1 to 5 (2013: 1 to 5) years.

The interest rates for finance lease liabilities are fixed at the contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

13. Borrowings (Continued)

(iii) Interest-bearing liabilities other than finance lease liabilities

During the financial year, the property loan was refinanced and is repayable on a monthly instalment basis over 14 years from January 2015 to December 2028 (2013: 15 years from January 2014 to December 2028).

The non-current portion of property loan is repayable as follows:

	Group	
	2014	2013
	$	$
In second year	349,986	407,119
In third year	368,810	349,987
In fourth year	388,645	368,809
In fifth year	409,547	388,645
Later than five years	4,470,041	4,879,600
	5,987,029	6,394,160

Trust receipts, trade receivable financing and bank overdraft are supported by corporate guarantee by the Company or personal guarantees given by a director of the Company and a director of a subsidiary.

In 2013, the short term revolving loan was unsecured and supported by corporate guarantee given by the Company.

Property loan is secured by the legal mortgage of the Group's leasehold land and building. It is supported by corporate guarantee given by the Company as at 31 December 2014 and 2013.

As at the end of the reporting period, the Group has banking facilities as follows:

	Group	
	2014	2013
	$	$
Facilities granted	32,714,113	36,844,000
Facilities utilised	(20,954,564)	(22,696,365)
Facilities unutilised	11,759,549	14,147,635

The fair values of non-current interest-bearing liabilities as at 31 December 2014 and 2013 approximate their carrying amounts.

13. Borrowings (Continued)

(iii) Interest-bearing liabilities other than finance lease liabilities (Continued)

The management estimates the fair value of the interest-bearing liabilities from a discounted cash flow analysis, using a discount rate based on the prevailing available market borrowing rates at the end of the reporting period.

The currency profiles of borrowings of the Group's and the Company's as at 31 December are as follows:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
United States dollar	1,993,455	–	–	–
Singapore dollar	18,678,060	25,189,140	–	–
	20,671,515	25,189,140	–	–

14. Deferred tax liability

	Group	
	2014	2013
	$	$
Balance at beginning and end of financial year	14,968	14,968

The deferred tax liability is attributable to the temporary differences arising from accelerated tax depreciation computed at the statutory income tax rate of 17% (2013: 17%).

15. Share capital

	Group and Company			
	2014	2013	2014	2013
	Number of ordinary shares		$	$
Issued and fully-paid up:				
At beginning of financial year	108,000,000	108,000,000	9,144,696	9,144,696
Share split exercise of every 1 ordinary share into 2 ordinary shares	108,000,000	–	–	–
At end of financial year	216,000,000	108,000,000	9,144,696	9,144,696

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

The Company had on 8 May 2014 completed the share split exercise of every 1 share into 2 ordinary shares which resulted in an increase in the number of ordinary shares from 108,000,000 to 216,000,000.

16. Revenue

	Group	
	2014	2013
	$	$
Installation services	27,804,468	27,951,970
Sales of goods	12,331,298	5,039,638
	40,135,766	32,991,608

17. Other income

	Group	
	2014	2013
	$	$
Foreign exchange gain, net	–	468
GST refund	–	95,384
Productivity and innovation credit bonus	15,000	15,000
Gain on disposal of property, plant and equipment	21,559	–
Rental income	41,000	–
Government grants	170,210	–
Miscellaneous	144,875	36,279
	392,644	147,131

18. Finance costs

	Group	
	2014	2013
	$	$
Interest expenses:		
- finance lease liabilities	13,255	12,617
- trust receipts	230,201	217,461
- trade receivable financing	161,324	228,518
- term loans and property loan	111,024	41,458
- bank overdraft	2,025	12,390
	517,829	512,444

19. Profit/(loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges/(credit):

	Group	
	2014	2013
	$	$
Cost of sales		
Cost of inventories recognised as expenses	23,618,102	18,335,032
Employee benefit expenses	2,486,200	2,133,709
Selling and Distribution expenses		
Advertising and promotions	56,048	71,040
Commission	17,454	78,434
Administrative expenses		
Operating lease expense	308,188	185,726
Employee benefit expenses	4,480,459	3,668,198
Other expenses		
Net (write-back of)/allowance for doubtful trade and other receivables	(15,013)	893,580
Audit fees		
- Auditors of the Company	83,400	66,000
Non- audit fees		
- Auditors of the Company	–	22,195
Trade receivables written off – third parties	–	191,819
Amortisation of intangible asset	91,272	105,353
Depreciation of property, plant and equipment	300,241	308,817
Donations	116,856	9,690
Entertainment and refreshment	92,328	160,105
Foreign exchange loss:		
- realised	27,402	15,697
- unrealised	77,981	–
Impairment loss on goodwill	–	87,084
Insurance	124,455	135,215
Legal and professional fees	365,888	192,793
Telephone charges and network services	64,166	88,180
Upkeep of motor vehicles	276,739	294,659
Utilities	59,097	56,835

19. Profit/(loss) before income tax (Continued)

Profit/(loss) before income tax also includes:

	Group	
	2014	2013
	$	$
Employee benefits expenses *		
- salaries, bonus and other benefits	6,699,512	5,575,635
- contributions to defined contribution plans	267,147	226,272
	6,966,659	5,801,907

* These include the amounts shown as Directors' remuneration in Note 23 to the financial statements.

The employee benefits expenses are recognised in the following line items of profit or loss as follows:

	Group	
	2014	2013
	$	$
Cost of sales	2,486,200	2,133,709
Administrative expenses	4,480,459	3,668,198
	6,966,659	5,801,907

20. Income tax (credit)/expense

	Group	
	2014	2013
	$	$
Current income tax		
- current financial year	–	31,193
- over provision in prior years	(8,202)	(23,347)
	(8,202)	7,846

Domestic income tax is calculated at 17% (2013: 17%) of the estimated assessable profit for the year.

20. Income tax (credit)/expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2013: 17%) to profit before income tax as a result of the following differences:

	Group	
	2014	2013
	$	$
Profit/(loss) before income tax	412,191	(1,896,427)
Income tax at statutory income tax rate of 17%	70,072	(322,393)
Expenses not deductible for income tax purposes	75,410	99,186
Enhanced tax deduction for approved equipment	(3,234)	–
Income not subject to tax	(20,443)	–
Income tax exemption	(1,981)	(287)
Over provision of income tax in prior years	(8,202)	(23,347)
Deferred tax asset not recognised	–	254,687
Utilisation of previously unrecognised deferred tax benefits	(119,147)	–
Others	(677)	–
	(8,202)	7,846

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of $437,069 (2013: $1,558,482) and unabsorbed allowances and donations of $312,070 (2013: $71,300) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of profit streams. These losses may be carried indefinitely subject to the conditions imposed by law.

21. Earnings/(loss) per share

The calculations for Earnings/(loss) per share are based on:

	Group	
	2014	2013
Earnings		
Profit/(loss) attributable to owners of the Parent ($)	418,102	(1,841,720)
Number of shares		
Number of ordinary shares in issue applicable to basic and diluted earnings per share	216,000,000	216,000,000
Basic and diluted earnings/(loss) per share (in cents)	0.19	(0.85)

The calculations for basic earnings per share for the relevant periods are based on the profit attributable to owners for the financial years ended 31 December 2014 and 2013 divided by the number of ordinary shares in issue in the relevant periods.

The dilutive earnings per share for the relevant periods are the same as the basic earnings per share as the Group does not have any dilutive potential ordinary shares for the relevant periods.

As the effect of the share split (see Note 15) is only to increase the number of ordinary share with no effect on earnings as there is no flow of funds as result of the issue, the prior year earnings per share have been recalculated using the new number of shares in issue.

22. Acquisition of a subsidiary with non-controlling interest in prior year

On 15 August 2013, the Group subscribed to 60% of the equity interest in White Cubic Pte Ltd, a Company whose principal activity is providing marble and granite flooring, wall panel and countertop solutions. The principal reason for this acquisition was to secure supply for key materials and reduce costs to the Group. The Group also expects to use the expertise and knowhow acquired in the development of new products lines.

Fair value of identifiable assets and liabilities of White Cubic Pte Ltd as at the acquisition date were:

	Fair value recognised at date of acquisition 2013 $
Plant and equipment	202,748
Inventories	88,667
Trade and other receivables	192,373
Prepayments	15,502
Cash and bank balances	128,494
Total assets	627,784
Trade and other payables	353,537
Finance leases liabilities	44,386
Total liabilities	397,923
Net identifiable assets at fair value	229,861
Less: Non-controlling interest measured at the non-controlling interest proportionate share of net identifiable assets	(91,945)
Add: Goodwill arising from acquisition	87,084
Purchase consideration for 60% equity interest acquired	225,000

Transaction costs relating to the acquisition of $10,636 have been recognised in "other operating expenses" line item in the Group's profit and loss for the year ended 31 December 2013.

The effects of the acquisition on the cash flows are as follows:

	Fair value recognised at date of acquisition 2013 $
Purchase consideration for 60% equity interest acquired	225,000
Less: Cash and cash equivalents of subsidiary acquired	(128,494)
Net cash outflow on acquisition	96,506

22. Acquisition of a subsidiary with non-controlling interest in prior year (Continued)

From the date of acquisition, White Cubic Pte Ltd's contribution to the Group are as follows:

	2013 $
Revenue	1,052,862
Loss, net of tax	(156,383)

Had the acquisition taken place at the beginning of the previous financial year, White Cubic Pte Ltd's contribution to the Group would have been:

	2013 $
Revenue	1,562,864
Loss, net of tax	(316,690)

Goodwill written off:

	2013 $
Goodwill on acquisition	87,084
Less: Impairment loss recognised	(87,084)
	–

As at the 31 December 2013, the Group has recognised impairment loss on goodwill on consolidation of $87,084 due to the deterioration of the financial position and financial performance of a subsidiary.

23. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

23. Significant related party transactions (Continued)

(b) An entity is related to the Group and the Company if any of the following conditions apply:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint venture of the same third party.

(vi) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

In addition to those information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and the Company and its related party during the financial year at rates and terms agreed between the parties.

	Company	
	2014	2013
	$	$
With related party		
Advance from a director	600,000	–
With subsidiaries		
Expense paid on behalf	1,097,445	642,388
Management fee income	1,050,000	1,050,000

As at reporting date, a director of the Company and a director of the subsidiary provided indemnities for security bonds for foreign workers to the insurance companies as follows:

	Group	
	2014	2013
	$	$
Amount indemnified under security bonds	870,000	980,000

23. Significant related party transactions (Continued)

Compensation of key management personnel

The remuneration of the key management personnel of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Short-term benefits	686,042	609,600	590,042	537,600
Post-employment benefits	52,380	52,080	42,780	44,880
Directors' fees	91,111	95,000	91,111	95,000
	829,533	756,680	723,933	677,480

The above included the following remuneration of the Directors of the Company and a director of a subsidiary:

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Directors of the Company				
Short-term benefits	355,775	270,000	355,775	270,000
Post-employment benefits	13,100	9,600	13,100	9,600
Directors' fees	91,111	95,000	91,111	95,000
	459,986	374,600	459,986	374,600
Director of a subsidiary				
Short-term benefits	96,000	40,000	–	–
Post-employment benefits	9,600	3,600	–	–
	105,600	43,600	–	–
	565,586	418,200	459,986	374,600

24. Commitments

24.1 Operating lease commitments

The Group as the lessee

As at reporting date, there were operating lease commitments for rental payable in subsequent accounting periods as follows:

	Group	
	2014 $	2013 $
Not later than one financial year	134,780	174,403
After one financial year but within five financial years	4,988	81,682
	139,768	256,085

Operating lease payments represent rents payable by the Group for office premises and other operating facilities. Leases and rental are fixed for an average term of 1 to 3 years with no provisions for contingent rent or upward revision of rent based on market price indices.

24. Commitments (Continued)

24.2 Capital commitment

Capital commitment as at reporting date is as follow:

	Group and Company	
	2014	2013
	$	$
Commitment contracted for the acquisition of a group of companies	27,080,000	–

24.3 Acquisition of subsidiary

The Company had on 28 November 2014, entered into a Sale and Purchase Agreement with Initial Source Investment Co. Ltd and its shareholder, Shen Shui Liang, to acquire the entire issued and paid-up share capital of Top Creation Investment (HK) Limited together with its subsidiaries for a consideration of approximately RMB130 (equivalent to S$27.08) million. As at the date of authorisation of the financial statements, certain required conditions precedent as set out in the Sales and Purchase Agreement are remained to be fulfilled and the acquisition is in the process of completing. Accordingly, the effects of the acquisition cannot be presently determined.

25. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. For management purposes, the Group is organised into business units based on its services, and has two reportable segments as follows:

(a) The projects segment business is providing timber, marble and granite flooring, wall panel and countertop solutions to private and public residential and commercial property developments.

(b) The distribution segment business is the trading of timber marble, granite flooring, wall panel and table top to the retailers.

Management monitors the operating results of the segment separately for the purpose of making decisions about the resources allocated and of assessing performance. Segment performance is evaluated based on gross profits. Group financing (including finance costs), operating expenses and income taxes are managed on group basis and are not allocated to operating segments.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter segment sales and transfer as if the sales or transfers were to third parties, which approximates market prices. These inter segment transactions are eliminated on consolidation.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise operating expenses. The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a group basis.

25. Segment information (Continued)

	Projects $	Distribution $	Unallocated $	Total $
2014				
Revenue				
- External sales	27,804,468	12,331,298	–	40,135,766
Results				
Segment results	6,020,881	1,740,142	(6,482,907)	1,278,116
Interest income				6,845
Interest expense				(517,829)
Amortisation of intangible asset				(91,272)
Depreciation of property, plant and equipment				(300,241)
Other material non-cash items:				
- Net write-back of allowance for doubtful trade and other receivables - third parties				15,013
- Gain on disposal of property, plant and equipment				21,559
Profit before income tax				412,191
Income tax credit				8,202
Profit for the financial year				420,393
2013				
Revenue				
- External sales	27,951,970	5,039,638	–	32,991,608
Results				
Segment results	5,358,777	486,489	(5,642,827)	202,439
Interest income				230
Interest expense				(512,444)
Impairment of goodwill				(87,084)
Amortisation of intangible asset				(105,353)
Depreciation of property, plant and equipment				(308,817)
Other material non-cash items:				
- Allowance for doubtful trade receivables - third parties				(893,580)
- Trade receivables written off - third parties				(191,818)
Loss before income tax				(1,896,427)
Income tax expense				(7,846)
Loss for the financial year				(1,904,273)

Major customer

Revenue from one major customer amounted to $8,400,136 and $6,922,715 for the financial years ended 31 December 2014 and 2013, respectively arising from the projects segment.

25. Segment information (Continued)

Geographic information

Revenues from external customers

	Group	
	2014	2013
	$	$
Singapore	34,105,893	31,223,590
China	3,746,201	1,054,375
Myanmar	2,060,802	–
Germany	–	645,352
United States	222,870	68,291
Consolidated	40,135,766	32,991,608

The revenue information above is based on the location of the customer. All non-current assets of the Group are located in Singapore.

26. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk) arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group and the Company. The Group's and the Company's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

26.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only bidding for contracts from developers with good financial standings. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and does not require collaterals.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 5 (2013: 5) trade receivables from third parties amounting to $4,097,320 (2013: $1,947,601) which accounts for 16% (2013: 7%) of the total trade receivables as at the end of the financial year.

The Company has no significant concentration at credit risk except for amount due from subsidiaries as at 31 December 2014.

26. Financial instruments, financial risks and capital management (Continued)

26.1 Credit risk (Continued)

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risk. The Group and the Company do not hold any collateral.

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and cash equivalents.

Bank deposits are mainly deposits with reputable banks with high credit rating and no history of default.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. The Group's historical experience in the collection of receivables falls within the credit terms granted.

The Company does not have any trade receivables as at the end of the reporting period.

The age analysis of the Group's trade receivables as at the end of the reporting period that are past due but not impaired and past due but impaired are as follows:

	2014		2013	
Group	Gross receivables $	Impairment $	Gross receivables $	Impairment $
Current 1 to 30 days	4,058,726	–	2,415,174	–
Past due 31 to 60 days	575,467	–	450,389	–
Past due 61 to 90 days	89,423	–	214,118	–
Past due over 90 days	539,204	622,923	762,262	637,936

26.2 Foreign currency risk

Foreign currency risks arise from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar, Euro and Ringgit Malaysia.

The Group and the Company do not hedge foreign currency exposure using derivative financial instruments. The Group and the Company manage foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group and the Company monitor foreign exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks. As at 31 December 2014 and 2013, there are no outstanding forward foreign currency contracts.

The Company does not have any monetary assets and monetary liabilities denominated in foreign currency. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

26. Financial instruments, financial risks and capital management (Continued)

26.2 Foreign currency risk (Continued)

	2014 $	2013 $
Monetary assets		
Euro	1,723	1,870
Ringgit Malaysia	11,785	78
United States dollar	1,371,393	844,186
Monetary liabilities		
Ringgit Malaysia	131,914	110,721
United States	2,008,061	–

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk are mainly in United States dollar, Euro and Ringgit Malaysia.

The following table details the Group's sensitivity to a 2% (2013: 2%) change in Singapore dollar against United States dollar. The sensitivity analysis assumes an instantaneous 2% (2013: 2%) change in the foreign currency exchange rates from the end of the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary item, which is denominated United States dollar is included in the analysis.

The effect of this change would result in an increase/(decrease) in the Group profit and loss before income tax by:

	2014 $	2013 $
United States dollar		
Strengthens against Singapore dollar	(12,733)	16,884
Weakens against Singapore dollar	12,733	(16,884)

Sensitivity analysis is not shown for Euro and Ringgit Malaysia as the amounts are insignificant.

26.3 Interest rate risk

The Group's exposure to interest rate risk relates primarily to fixed deposits and interest-bearing liabilities. The Company has no exposure to market risk for changes in interest rate risk.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from fixed deposits and interest-bearing liabilities which are at floating interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

The Group's exposure to interest rate risk is set out in a table below under liquidity risk.

26 Financial instruments, financial risks and capital management (Continued)

26.3 Interest rate risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for the Group's interest-bearing liabilities as at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding as at the end of the reporting period was outstanding for the whole year. The sensitivity analysis assumes an instantaneous change of 0.5% from the end of the reporting period, with all other variables held constant.

If the interest rate increases or decreases by 0.5%, the Group's profit/(loss) after income tax will increase or decrease by:

	2014 $	2013 $
Interest bearing liabilities	84,857	154,543

26.4 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage operating cash flows so as to finance the Group's and the Company's operations. As part of its overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintains sufficient levels of cash to meet working capital requirement.

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

26 Financial instruments, financial risks and capital management (Continued)

26.4 Liquidity risk (Continued)

Contractual maturity analysis

	Within one financial year $	After one financial year but within five financial years $	Later than five financial years $	Total $
Group				
2014				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	6,464,158	–	–	6,464,158
- Amount due to a corporate shareholder	1,312,967	–	–	1,312,967
- Amount due to a director of the Company	1,671,882	–	–	1,671,882
Interest-bearing liabilities				
- Finance lease payables	80,653	160,778	–	241,431
- Borrowings	14,846,584	1,568,566	4,622,023	21,037,173
	24,376,244	1,729,344	4,622,023	30,727,611
2013				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	7,953,884	–	–	7,953,884
- Amount due to a corporate shareholder	1,312,967	–	–	1,312,967
- Amount due to a director of the Company	1,071,882	–	–	1,071,882
Interest-bearing liabilities				
- Finance lease payables	114,916	281,286	–	396,202
- Borrowings	18,921,059	1,566,055	5,135,779	25,622,893
	29,374,708	1,847,341	5,135,779	36,357,828

26. Financial instruments, financial risks and capital management (Continued)

26.4 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year $	After one financial year but within five financial years $	Later than five financial years $	Total $
Company				
2014				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	190,595	–	–	190,595
Corporate guarantee	19,758,478	–	–	19,758,478
2013				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	4,694	–	–	4,694
Corporate guarantee	8,744,928	–	–	8,744,928

The Group's and the Company's operations are financed mainly through equity, retained earnings and interest-bearing liabilities. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required.

The repayment term of the interest-bearing liabilities are disclosed in Note 13 to these financial statements.

26. Financial instruments, financial risks and capital management (Continued)

26.5 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' values.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayments and interests) based on operating cash flows. The Group's overall strategy remains unchanged since financial year 2013.

The management monitors capital based on gearing ratio, which is net debt divided by total equity plus net debt. The Group and the Company includes within net debt, trade and other payables, amount due to a corporate shareholder, amount due to a director of the Company and interest-bearing liabilities, less cash and bank balances. Total equity consists of share capital and retained earnings.

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade and other payables	6,464,158	7,953,884	190,595	4,694
Amount due to a corporate shareholder	1,312,967	1,312,967	–	–
Amount due to a director of the Company	1,671,882	1,071,882	–	–
Borrowings	20,671,515	25,189,140	–	–
Less: Cash and bank balances	(255,361)	(7,231,885)	(10,553)	(38,189)
Net debt/(cash)	29,865,161	28,295,988	180,042	(33,495)
Total equity	14,756,230	14,335,837	8,308,855	8,373,914
Total capital	44,621,391	42,631,825	8,488,897	8,340,419
Gearing ratio (%)	67%	66%	2%	n.m.

n.m. – Not meaningful as the cash and bank balances is higher than the total borrowings.

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

26. Financial instruments, financial risks and capital management (Continued)

26.6 Fair value of financial assets and financial liabilities

Fair value of financial instruments that are not carried at fair value

Management considers that the carrying amounts of financial assets and liabilities other than finance lease liabilities recorded at amortised cost in the financial statements approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting period.

The fair value of finance lease liabilities are estimated by discounting expected future cash flows at a rate for similar type of leasing arrangement as at reporting date.

There is no significant change in rate for similar types of leasing arrangements as at reporting date and therefore the fair value of finance lease liabilities approximates the carrying amount.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial year.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2015

Issued and fully paid-up share capital	:	S$9,412,915 [1]		
Number of Shares	:	216,000,000		
Class of shares	:	Ordinary Shares		
Voting rights	:	On a show of hand	:	One vote for each member
		On a poll	:	One vote for each ordinary share

(1) Being the issued and paid-up share capital of the Company extracted from the Accounting and Corporate Regulatory Authority Singapore.

The Company does not hold any treasury shares.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
		NO. OF SHARES	%	NO. OF SHARES	%
1	Jason Sim Chon Ang [1]	103,828,000	48.07	–	–
2	Radwell Pte. Ltd.	28,351,000	13.13	–	–
3	Lee Ai Leng [2]	–	–	28,351,000	13.13

(1) Out of 103,828,000 shares, 20,000,000 shares are held in the name of Maybank Nominees (S) Pte Ltd and 2,000,000 shares are held in OCBC Securities Private Ltd.

(2) Lee Ai Leng is deemed to have an interest in the 28,351,000 Shares held by Radwell Pte. Ltd. by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 18 March 2015, approximately 36.31% of the issued ordinary shares of the Company were 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"). This is in compliance with Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public.

DISTRIBUTION OF SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	2	1.26	2,000	0.00
1,001 - 10,000	38	23.90	270,000	0.13
10,001 - 1,000,000	99	62.26	17,005,500	7.87
1,000,001 and above	20	12.58	198,722,500	92.00
	159	100.00	216,000,000	100.00

STATISTICS OF SHAREHOLDINGS

As at 18 March 2015

TWENTY LARGEST SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	JASON SIM CHON ANG	81,828,000	37.88
2	RADWELL PTE LTD	28,351,000	13.13
3	MAYBANK NOMINEES (S) PTE LTD	24,400,000	11.30
4	RAFFLES NOMINEES (PTE) LTD	16,310,900	7.55
5	OCBC SECURITIES PRIVATE LTD	8,724,100	4.04
6	MAYBANK KIM ENG SECURITIES PTE LTD	7,007,000	3.24
7	SIM CHOON JOO	5,400,000	2.50
8	CIMB SECURITIES (SINGAPORE) PTE LTD	5,253,900	2.43
9	TEO LI LIAN (ZHANG LILIAN)	3,356,000	1.55
10	PHOON WUI NYEN (PAN WEIYUAN)	3,222,600	1.49
11	HONG LEONG FINANCE NOMINEES PTE LTD	2,800,000	1.30
12	TENG CHAI HAI	1,662,000	0.77
13	TAN SEE TEE	1,600,000	0.74
14	CHUA BENG KUANG	1,500,000	0.69
15	HO KEE WEE	1,471,000	0.68
16	ALAN LIM CAI FU	1,200,000	0.56
17	LAI MEI LING	1,200,000	0.56
18	OH CHEE ENG	1,200,000	0.56
19	LE XIN GROUP HOLDINGS PTE LTD	1,163,000	0.54
20	RHB SECURITIES SINGAPORE PTE LTD	1,073,000	0.50
	Total	**198,722,500**	**92.01**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jason Holdings Limited (the "**Company**") will be held at 16 Tampines Street 92, JP Building, Singapore 528873 on Thursday, 30 April 2015 at 10:30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To re-elect Mr Karam Singh Parmar, who is retiring pursuant to Article 98 of the Articles of Association of the Company and has offered himself for re-election[1].

   *Mr Karam Singh Parmar will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. The Board considers him to be independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**").* **(Resolution 2)**

3. To re-elect Mr Wui Heck Koon, who is retiring pursuant to Article 102 of the Articles of Association of the Company and has offered himself for re-election[1].

   Mr Wui Heck Koon will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. **(Resolution 3)**

4. To re-elect Mr Sim Choon Joo, who is retiring pursuant to Article 102 of the Articles of Association of the Company and has offered himself for re-election[1].

   Mr Sim Choon Joo will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. **(Resolution 4)**

5. To approve the payment of Directors' fees amounting to S$95,000/- for the financial year ending 31 December 2015 payable quarterly in arrears. [FY2014 : S$95,000] **(Resolution 5)**

6. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

As Special Business

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

8. **Authority to Allot and Issue Shares**

   THAT pursuant to Section 161 of the Singapore Companies Act, Chapter 50 (the "**Act**") and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

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

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

   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; and

[1] Detailed information on the Directors who are proposed to be re-elected can be found under the "Board of Directors", "Corporate Governance Report" and "Directors' Report" in the Company's Annual Report 2014.

II (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below);

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

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

(ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

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

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Articles of Association for the time being of the Company; and

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

[See Explanatory Note 1] **(Resolution 7)**

By Order of the Board

Andrew Loke Yew Kong
Teo Meng Keong
Company Secretaries
Singapore
15 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend in his stead. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for holding the Annual General Meeting of the Company.

Explanatory Note:

1. Resolution 7 is to empower the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed 50% of the total issued shares at the time of the passing of this Resolution.

Personal data privacy:

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

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*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice.*

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

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

PROXY FORM

I/We, _____ NRIC/Passport No. _____

of _____ (address)
being a member/members of Jason Holdings Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 16 Tampines Street 92, JP Building, Singapore 528873 on Thursday, 30 April 2015 at 10:30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, 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.)

	ORDINARY BUSINESS	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon		
Resolution 2	To re-elect Mr Karam Singh Parmar as a Director of the Company		
Resolution 3	To re-elect Mr Wui Heck Koon as a Director of the Company		
Resolution 4	To re-elect Mr Sim Choon Joo as a Director of the Company		
Resolution 5	To approve the payment of Directors' fees for the financial year ending 31 December 2015 payable quarterly in arrears		
Resolution 6	To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS	**For**	**Against**
	Ordinary Resolution:		
Resolution 7	To approve the authority to allot and issue shares		

Dated this _____ day of _____ 2015

Total Number of Shares held in :	
CDP Register	
Register of Members	

_____
Signature(s) of members(s) or Common Seal

NOTES:
IMPORTANT

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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 of the Company entitled to attend and vote at the general meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898, not less 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 of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the 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 authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the general meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General:

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 shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

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

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JASON HOLDINGS LIMITED
(Company Registration Number: 201119167Z)

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