CIRCULAR DATED 22 APRIL 2016

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF ABUNDANCE INTERNATIONAL LIMITED AND THE ADVICE OF KGI FRASER SECURITIES PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

This Circular is issued by Abundance International Limited (the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

*This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Ng Joo Khin: Tel: 6389 3000, Email: jookhin.ng@morganlewis.com.

ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 197501572K)

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY UNCONDITIONAL CASH OFFER

by

SHI JIANGANG

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Shi Jiangang and the parties acting in concert with him

Independent Financial Adviser to the Independent Directors (as defined herein)

KGI FRASER SECURITIES PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 195500144H)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER (AS DEFINED HEREIN) WILL CLOSE AT 5.30 P.M. ON 6 MAY 2016 (THE "CLOSING DATE"). THE OFFEROR HAS STATED THAT HE DOES NOT INTEND TO EXTEND THE OFFER BEYOND THAT DATE OR TO REVISE THE TERMS OF THE OFFER.

THE OFFEROR HAS GIVEN NOTICE THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON THE CLOSING DATE AND WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. ON THE CLOSING DATE AND WILL NOT BE REVISED.

ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

CONTENTS

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"Act"	:	The Companies Act, Chapter 50, of Singapore, as amended, modified or supplemented from time to time
"Business Day"	:	A day which is not a Saturday, a Sunday or a public holiday in Singapore
"Catalist Rules"	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular dated 22 April 2016 issued by the Company to Shareholders in relation to the Offer (including, *inter alia,* the Appendices to this Circular) and any other document which may be issued by or on behalf of the Company to amend, revise, supplement or update this Circular from time to time
"Closing Date"	:	6 May 2016, being the last day for the lodgement of acceptances of the Offer
"Code"	:	The Singapore Code on Take-overs and Mergers
"Company"	:	Abundance International Limited
"Constitution"	:	The constitution of the Company comprising the memorandum and articles of association of the Company which were in force immediately before phase 2 of the Companies (Amendment) Act 2014 took effect on 3 January 2016
"Conversion"	:	Shall have the meaning ascribed to it in paragraph 1.1(a) of this Circular
"CPF"	:	Central Provident Fund
"CPF Agent Banks"	:	Agent banks included under the CPFIS
"CPFIS"	:	Central Provident Fund Investment Scheme
"CPFIS Investors"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"FAA"	:	Form of Acceptance and Authorisation, which forms part of the Offer Document and which is issued to the Shareholders whose Shares are deposited with CDP
"FAT"	:	Form of Acceptance and Transfer, which forms part of the Offer Document and which is issued to the Shareholders whose Shares are not deposited with CDP
"FY2013"	:	Financial year ended 30 September 2013
"FY2014"	:	Financial year ended 30 September 2014
"FY2015"	:	Financial period from 1 October 2014 to 31 December 2015
"FY2016"	:	Financial year ending 31 December 2016

"Group"	:	The Company and its subsidiaries
"IFA"	:	KGI Fraser Securities Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Offer
"IFA Letter"	:	The letter dated 22 April 2016 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix I to this Circular
"Independent Auditors"	:	Foo Kon Tan LLP
"Independent Directors"	:	The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer, being Mr Chan Charlie, Mdm Ong Kwee Cheng (Dora), Mr Chan Cher Boon, Mr Tham Hock Chee and Mr Francis Yau Thiam Hwa
"Irrevocable Undertakings"	:	The irrevocable undertakings dated 8 May 2014 from each of the Undertaking Shareholders, to reject or procure the rejection of the Offer in respect of 85,680,000 Shares, as more particularly set out in paragraph 7 of this Circular
"Latest Practicable Date"	:	12 April 2016, being the latest practicable date prior to the printing of this Circular
"Market Day"	:	A day on which the SGX-ST is open for trading of securities
"Offer"	:	The mandatory unconditional cash offer by the Offeror to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
"Offer Announcement"	:	The announcement relating to the Offer made by the Offeror on the Offer Announcement Date
"Offer Announcement Date"	:	24 March 2016, being the date of the Offer Announcement
"Offer Document"	:	The Offer Document dated 8 April 2016 issued by the Offeror, and any other document which may be issued by, or for and on behalf of, the Offeror to amend, revise, supplement or update the Offer Document from time to time
"Offer Price"	:	S$0.05 in cash for each Offer Share
"Offer Shares"	:	All the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with him and "**Offer Share**" shall be construed accordingly
"Offeror"	:	Mr Shi Jiangang, the Executive Chairman of the Company
"Option Shares"	:	Shall have the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular
"Options"	:	Shall have the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular
"Overseas Shareholders"	:	Shareholders whose addresses are outside Singapore as shown in the Register or the Depository Register, and "**Overseas Shareholder**" shall be construed accordingly
"Register"	:	The register of holders of Shares as maintained by the Share Registrar

"Securities"	:	(a) securities which carry voting rights in the Company, including but not limited to the Shares, and (b) convertible securities, warrants, options and derivatives in respect of such securities in (a)
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"Service Agreements"	:	Shall have the meaning ascribed to it in paragraph 8.3 of this Circular
"SFA"	:	The Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Registrar"	:	B.A.C.S. Private Limited
"Shareholders"	:	Registered holders of Shares in the Register of the Company, except that where CDP is the registered holder, the term "**Shareholders**" shall, in relation to such Shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Account
"Shares"	:	Ordinary shares in the share capital of the Company
"SIC"	:	The Securities Industry Council of Singapore
"Singapore"	:	The Republic of Singapore
"Sponsor"	:	Stamford Corporate Services Pte. Ltd.
"Undertaking Shareholders"	:	Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora)
"S$" and "cents"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"%" or "per cent"	:	Per centum or percentage

Acting in Concert. Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code, and references to "**concert party**" shall be construed accordingly.

Depositors. The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Gender. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Paragraphs. Any reference in this Circular to a paragraph is a reference to a paragraph of this Circular, unless otherwise stated.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Catalist Rules, the Code or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Catalist Rules, the Code or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiaries and related corporations. The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Act.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics, and all capitalised terms and expressions used within these reproduced statements shall have the same meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "if", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

SUMMARY TIMETABLE

Date of despatch of the Offer Document	: 8 April 2016
Date of despatch of Circular	: 22 April 2016
Closing Date	: 5.30 p.m. on 6 May 2016, being the last day for the lodgement of acceptances of the Offer. The Offeror has stated that he does not intend to extend the Offer beyond that date or to revise the terms of the Offer. The Offeror has given notice that the Offer will close at 5.30 p.m. on the Closing Date and will not be open for acceptance beyond 5.30 p.m. on the Closing Date and will not be revised.
Date of settlement of consideration for valid acceptances of the Offer	: Subject to the receipt by the Offeror from the accepting Shareholders of all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions and requirements stated in the Offer Document and the FAA and/or FAT (as the case may be) and in the case of a Depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Shares are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time(s), remittances will be despatched pursuant to Rule 30 of the Code, to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Shareholders, as soon as practicable, and in any case within seven (7) Business Days after receipt of such valid acceptances. Please see paragraph 2 of Appendix 1 to the Offer Document for further details.

ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 197501572K)

Board of Directors:

Shi Jiangang *(Executive Chairman)*
Chan Charlie *(Managing Director)*
Ong Kwee Cheng (Dora) *(Alternate Director to Chan Charlie)*
Sam Kok Yin *(Executive Director)*
Chan Cher Boon *(Lead Independent Director)*
Tham Hock Chee *(Independent Director)*
Francis Yau Thiam Hwa *(Independent Director)*

Registered Office:

9 Joo Koon Circle
Singapore 629041

22 April 2016

To: The Shareholders of Abundance International Limited

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY MR SHI JIANGANG FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 24 March 2016, the Offeror announced that he intends to make a mandatory unconditional cash offer for all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with him, due to the following:

(a) the outstanding non-transferrable convertible bonds in an aggregate principal amount of S$11,000,000 convertible into an aggregate of 220,000,000 new Shares issued by the Company to the Offeror and his concert party, Mr Sam Kok Yin, had, on the same day, been automatically converted into Shares at the conversion value of S$0.05 for each of the new Share (the "**Conversion**"); and

(b) as a result of the Conversion, the Offeror is required under Rule 14 of the Code to make the Offer.

A copy of the Offer Announcement dated 24 March 2016 is available on the website of the SGX-ST at www.sgx.com.

1.2 Aggregate holding of Shares by the Offeror and parties acting in concert with the Offeror

Paragraph 3 of the Offer Document states that, as at 29 March 2016, being the latest practicable date prior to the printing of the Offer Document, the Offeror holds 185,000,000 Shares, representing 39.53% of the Shares in issue as at 29 March 2016. As at 29 March 2016, the Offeror and his concert party hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of the Shares in issue as at 29 March 2016.

Further details on the aggregate holding of Shares by the Offeror and his concert party can be found in paragraph 10 of the Offer Document.

1.3 Offer Document

Shareholders should have by now received a copy of the Offer Document despatched by the Offeror on 8 April 2016, setting out, *inter alia*, the formal offer by Mr Shi Jiangang to acquire all the Offer Shares, being all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with him, subject to the terms and conditions set out in the Offer Document.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.4 Independent Financial Adviser

KGI Fraser Securities Pte. Ltd. has been appointed as the IFA to the Independent Directors in relation to the Offer. The IFA has also been appointed by the Independent Directors to publicly express its opinion on whether the terms of the Service Agreements are fair and reasonable. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.5 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Offer and to set out the recommendation of the Independent Directors and the advice and recommendation of the IFA to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors set out in this Circular before deciding whether or not to accept the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

Based on the information set out in the Offer Document, the Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and the FAT. The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below:

2.1 Offer Price

Paragraph 2.1 of the Offer Document states that the Offer Price for each Offer Share will be as follows:

For each Offer Share: S$0.05 in cash

Paragraph 2.1 of the Offer Document further states the following:

"The Offer Price is final. The Offeror does not intend to revise the Offer Price. The Offer will also not be extended beyond the first closing date of the Offer."

2.2 No Encumbrances

Paragraph 2.2 of the Offer Document states the following:

"The Offer is extended to all Offer Shares.

The Offer Shares will be acquired:

(a) fully paid;

*(b) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever ("**Encumbrances**"); and*

*(c) together with all rights, benefits and entitlements attached as at the Offer Announcement Date and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) (collectively, "**Distributions**") declared, paid or made by the Company on or after the Offer Announcement Date.*

If any Distributions are announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such distributions in full in respect of any Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distributions."

2.3 Offer Unconditional

Paragraph 2.3 of the Offer Document states the following:

"*The Offer will be unconditional in all respects."*

2.4 Warranty

Paragraph 2.4 of the Offer Document states the following:

"Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner thereof, (a) fully paid, (b) free from any Encumbrances, and (c) with all such rights, benefits, entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions."

2.5 Duration of the Offer

Paragraph 1 of Appendix 1 to the Offer Document states the following:

"Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the Despatch Date.

Accordingly, the Offer will close at 5.30 p.m. on 6 May 2016.

Notice is hereby given that the Offer will not be extended, revised or be open for acceptance beyond 5.30 p.m. on 6 May 2016.*"*

2.6 Further details of the Offer

Further details of the Offer, including details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

2.7 Procedures for acceptance

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

3. INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from paragraph 3 of the Offer Document and reproduced below:

*"The Offeror was appointed as the Executive Chairman of the Company on 25 September 2014. He is a citizen of the People's Republic of China ("**PRC**") and a permanent resident of Singapore. He is an established entrepreneur in the chemical industry and based in Jiangsu, PRC. To date, the Offeror has significant investments in several chemical related businesses. He is also involved in property development in both the PRC and Sydney, Australia.*

As at the Latest Practicable Date, the Offeror holds 185,000,000 Shares, representing 39.53% of Shares in issue as at the Latest Practicable Date. As at the Latest Practicable Date, the Offeror and his concert party hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of Shares in issue as at the Latest Practicable Date."

4. OUTSTANDING OPTIONS

Paragraph 5 of the Offer Document states the following:

"As at the Latest Practicable Date, the Company has granted:

(a) an option to the Offeror and his concert party, Sam Kok Yin, to require the Company to allot and issue an aggregate of 210,000,000 new Shares at the price of S$0.05 for each new Share which are exercisable during the period of 3 years commencing on 25 September 2015; and

(b) call options to Jiang Hao to require the Company to issue an aggregate of 69,176,472 new Shares at an issue price of S$0.085 per Share which are not currently exercisable and which are subject to certain conditions being met,

*(together, the "**Options**").*

The Options are not transferable as at the Latest Practicable Date. In view of this restriction, the Offeror will not make an offer to acquire the Options."

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

The full text of the Offeror's rationale for the Offer and the Offeror's intention for the Company has been extracted from paragraph 6 of the Offer Document and reproduced below. **Shareholders are advised to read the extract below carefully.**

"6.1 Rationale for the Offer

The Offer is made to comply with the requirements of the Code because following the Conversion, the Offeror and his concert party hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of Shares in issue as at the Latest Practicable Date.

6.2 Offeror's intention for the Company

It is the intention of the Offeror that the Company continues to carry on the business of chemical trading, investments and commercial printing (adopting an outsourcing model without internal production) and maintain its listing status on the SGX-ST. The intentions of the Offeror for the Company in respect of the business scope of the Company as set out in this paragraph 6.2 are based on current views and assumptions and there is no assurance that such current intentions will be carried into effect.

*Following the close of the Offer, the Offeror will continue to review the operations, management and financial position of the Company and its subsidiaries ("**Group**"), and to evaluate the redeployment of the fixed assets of the Company, and the continued employment of the employees of the Group. As previously announced by the Company, the Group had ceased internal production in respect of the printing business and had sold off certain machineries and equipment. The Offeror intends for the Group to continue taking steps to sell the other production assets, peripherals and raw materials previously used for the printing business that are no longer required, and to further reduce the headcount for this business segment."*

6. COMPULSORY ACQUISITION AND LISTING STATUS

The full text of the Offeror's intentions relating to compulsory acquisition pursuant to Section 215(1) of the Act and the listing status of the Company has been extracted from paragraph 7 of the Offer Document and reproduced below:

*"**7.1 Compulsory Acquisition***

Pursuant to section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer in respect of not less than 90% of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer.

However, the Offeror does not intend to exercise the right of compulsory acquisition under 215(1) of the Companies Act as it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST.

7.2 Free Float Requirement

Under Rule 1104 of the Catalist Rules, upon the announcement made by the Offeror that valid acceptances have been received pursuant to the Offer that bring the Shares owned by the Offeror and his Concert Party to above 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares until it is satisfied that at least 10% of the total number of issued shares (excluding treasury shares) are held by at least 200 shareholders who are members of the public. Rule 1303(1) of the Catalist Rules also states that if the Offeror garners acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of Shares held in public hands to fall below 10%, the SGX-ST may suspend the trading of the Shares at the close of the Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on SGX-ST. Pursuant to Rule 724(2) of the Catalist Rules, the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares held by members of the public to at least 10%, failing which the Company may be delisted from the SGX-ST.

As it is the current intention of the Offeror to maintain the listing status of the Company on the Catalist of the SGX-ST, the Offeror reserves the right to take appropriate actions to comply with Rules 724 and 1104 of the Catalist Rules, including but not limited to carrying out a placement of the Shares such that at least 10% of the Shares are held by at least 200 shareholders who are members of the public, should the need arises. Further details on any such arrangements will be announced in due course as and when it is appropriate."

7. IRREVOCABLE UNDERTAKINGS

The following information on the irrevocable undertakings received by the Offeror to reject the Offer has been extracted from paragraph 9.1 of the Offer Document and reproduced below:

*"The Offeror has received irrevocable undertakings dated 8 May 2014 ("**Irrevocable Undertakings**"), from each of Ong Kwee Cheng (Dora) and Chan Charlie ("**Undertaking Shareholders**"), to reject or procure the rejection of the Offer in respect of 85,680,000 Shares. Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor his concert party has received any irrevocable undertakings from any other party to accept or reject the Offer."*

Details on the shareholdings of the Undertaking Shareholders can be found in paragraph 9.2 of the Offer Document.

8. ADVICE AND RECOMMENDATION

8.1 General

Shareholders should read and carefully consider the advice of the IFA to the Independent Directors on the Offer, as set out in the IFA Letter, and the recommendation of the Independent Directors before deciding whether to accept or reject the Offer. The IFA Letter is set out in Appendix I to this Circular.

8.2 Independence of Directors

Save as disclosed below in respect of Messrs Shi Jiangang and Sam Kok Yin, as at the Latest Practicable Date, all of the Directors consider themselves to be independent for the purposes of making a recommendation on the Offer.

As Mr Shi Jiangang is obliged to make the Offer pursuant to Rule 14 of the Code and Mr Sam Kok Yin is a person acting in concert with Mr Shi Jiangang, Messrs Shi Jiangang and Sam Kok Yin have an irreconcilable conflict of interests in relation to the Offer. The Company has received a ruling from SIC on 18 April 2016 which sets out, *inter alia*, that Messrs Shi Jiangang and Sam Kok Yin are exempted from the requirement to make a recommendation to the Shareholders on the Offer. Notwithstanding such exemption, SIC had stated in its ruling that Messrs Shi Jiangang and Sam Kok Yin must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

8.3 Service Agreements of Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora)

Rule 10 of the Code states that except with SIC's consent, the offeror or persons acting in concert with it may not make any arrangements with selected shareholders and may not deal or enter into arrangements to deal or make purchases or sales of shares of the offeree company, or enter into arrangements concerning acceptance of an offer, either during an offer or when one is reasonably in contemplation, if there are favourable conditions attached which are not being extended to all shareholders.

In connection with the subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") between the Company and Messrs Shi Jiangang and Sam Kok Yin, Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora) had on 25 September 2014 entered into addenda to their service agreements with the Company, pursuant to which, *inter alia*, the monthly salary of Mr Chan Charlie was increased from S$18,000 to S$25,000 and the monthly salary of Mdm Ong Kwee Cheng (Dora) was increased from S$10,000 to S$20,000 (the "**Service Agreements**").The Offeror has furnished the Company with a letter from SIC dated 25 June 2014 which sets out, *inter alia*, SIC's ruling that the Service Agreements will not amount to a special deal (the "**Special Deal Condition**") within the ambit of Rule 10 of the Code, subject to the IFA publicly stating that the terms of the Service Agreements are fair and reasonable. The IFA's opinion in respect of the Service Agreements is set out in paragraph 11 of the IFA Letter, an extract of which is set out in paragraph 8.4 of this Circular.

8.4 Advice of the IFA to the Independent Directors

The IFA's advice to the Independent Directors in respect of the Offer, as extracted from paragraph 11 of the IFA Letter, is set out below and should be read in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meaning as defined in the IFA Letter.

"11. OUR ADVICE ON THE OFFER AND OUR OPINION ON THE SPECIAL DEAL CONDITION

In arriving at our recommendation in respect of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:-

(a) Market quotation and trading liquidity of the Shares;

(b) Financial performance and financial position of the Group;

(c) Comparison of the valuation statistics of Comparable Companies;

(d) Comparison with precedent takeovers of SGX-ST listed companies; and

(e) Other relevant considerations.

We set out below a summary of the factors we have taken into our consideration:

(a) in relation to the Share price performance of the Company:

- *the Offer Price is above the closing prices of the Shares since the 6-month period prior to and including the Offer Announcement Date;*

- *since the 12-month period prior to and including the Offer Announcement Date, the closing prices of the Shares ranged between a low of S$0.021 and a high of S$0.100. The Offer Price represents a premium of 138.1% over the lowest closing price and a discount of 50.0% to the highest closing price of the Shares respectively; and*

- *the Offer Price represents a premium of approximately 72.4% over the closing price of S$0.029 on 23 March 2016, being the Last Trading Day on which the Shares were traded prior to the Offer Announcement Date and before the trading halt of the Shares on 24 March 2016 and a premium of approximately 40.4%, 67.2% and 65.6% above the VWAPs of the Shares for the 6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date, respectively;*

(b) in relation to the trading liquidity of the Shares:

- *the trading liquidity of the Shares has generally been thin in the past. The average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date represents 0.16%, 0.14%, 0.10% and 0.10% of the free float respectively; and*

- *during the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume of the Shares was higher at approximately 220,000 Shares, but trading liquidity remained low, representing approximately 0.4% of the free float of the Shares;*

(c) the historical financial performance and financial position of the Group, as set out in paragraph 8.2 of this IFA Letter. The Group's revenue has been declining over the past 3 financial years. In FP2015, the Group recorded a loss of S$9.3 million due to decrease in sales in view of the continued challenges facing the printing business. The Company has not paid any dividends for the past 3 financial years. As at 31 December 2015, the Company has ceased internal production of the printing business and going forward, the Group will focus more of its resources and efforts on the chemical business and investment business of the Group;

(d) the Offer Price represents a premium of 34.1% to the illustrative NTA per Share of the Group of 3.73 cents;

(e) in comparison with the valuation statistics of the Comparable Companies, the P/NTA ratio of the Group implied by the Offer Price of 1.3 times is within the range of the P/NTA ratios of the Comparable Companies and higher than the median P/NTA ratio of the Comparable Companies of 1.2 times;

(f) in comparison with the valuation statistics of the Selected Comparable Transactions,

- *the premium implied by the Offer Price against the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares prior to the Offer Announcement Date is within the range and is also significantly higher than the* *mean and median premiums of the Selected Comparable Transactions for the corresponding periods; and*

- *the P/NTA ratio of the Group of 1.3 times implied by the Offer Price is within the range of P/NTA of the Selected Comparable Transactions, same as the median P/NTA of the Selected Comparable Transactions of 1.3 times but lower than the mean of the Selected Comparable Transactions of 1.6 times;*

(g) the Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders, to reject or procure the rejection of the Offer in respect of 85,680,000 Shares, representing 18.3% of the issued Shares of the Company;

(h) the Offeror does not intend to revise the Offer Price and has stated its intention to maintain the listing status of the Company; and

(i) the absence of any alternative take-over offer from third parties as at the Latest Practicable Date.

Based on our analysis as set out above and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer Price are, on balance, fair and reasonable.

Accordingly, we advise the Independent Directors to recommend the Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses.

Based on our evaluation of the terms of the Service Agreements and the information available to us as at the Latest Practicable Date, we are of the opinion that, as a whole, the terms of the Service Agreements are fair and reasonable in the context of Rule 10 of the Code.

The Independent Directors should note that we have arrived at our advice based on information made available to us as at the Latest Practicable Date. Our advice on the Offer cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer."

8.5 Recommendation of the Independent Directors

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **CONCUR** with the advice of the IFA in respect of the Offer. Accordingly, the Independent Directors adopt the recommendations in respect of the Offer as set out in paragraph 8.4 above.

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are also advised to read the IFA Letter set out in Appendix I to this Circular carefully and to consider the recommendations of the Independent Directors in their entirety before deciding whether to accept or reject the Offer. Shareholders should note that the advice of the IFA to the Independent Directors may only be relied upon by the Independent Directors and the recommendations of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio

should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

9. ACTION TO BE TAKEN BY THE SHAREHOLDERS

9.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer should refer to Appendix 2 to the Offer Document which sets out the procedures for acceptance of the Offer.

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on the Closing Date.

9.2 Shareholders who do not wish to accept the Offer

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

10. OVERSEAS SHAREHOLDERS

10.1 Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to paragraph 12 of the Offer Document, which is reproduced below:

*"The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the records of CDP or the Register of Members (as the case may be) ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements. Where there are potential restrictions on sending the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document to any overseas jurisdiction, the Offeror reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent.*

*Copies of this Offer Document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document and the relevant form(s) of acceptance from the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Share Registrar at the above stated address to request for the Offer Document and the relevant form(s) of acceptance to be sent to an address in Singapore by ordinary post at his own risk.

It is the responsibility of any Overseas Shareholder who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other *necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.*

The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement."

10.2 Copies of Circular

This Circular may not be sent to any Overseas Shareholder due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain copies of this Circular during normal business hours and up to the Closing Date, from the office of the Share Registrar, being B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 or make a request to the Share Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk. The last date for despatch in respect of such request shall be the date falling three (3) Market Days prior to the Closing Date.

11. INFORMATION PERTAINING TO CPFIS INVESTORS

CPFIS Investors should receive further information on how to accept the Offer from their CPF Agent Banks shortly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Shares in their CPF investment accounts.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror, those set out in the IFA Letter and the recommendation of the Independent Directors) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

The recommendation of the Independent Directors to Shareholders at paragraph 8.5 of this Circular is the sole responsibility of the Independent Directors.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information extracted from the Offer Document and the IFA Letter), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

13. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
ABUNDANCE INTERNATIONAL LIMITED

Mr Shi Jiangang
Executive Chairman
22 April 2016

KGI FRASER SECURITIES PTE. LTD.
(Company Registration Number: 195500144H)
(Incorporated in the Republic of Singapore)
4 Shenton Way
#13-01 SGX Centre 2
Singapore 068807

22 April 2016

To: The Independent Directors of Abundance International Limited
9 Joo Koon Circle
Singapore 629041

Dear Sirs

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) IN RESPECT OF THE MANDATORY UNCONDITIONAL OFFER BY SHI JIANGANG FOR THE OFFER SHARES

Unless otherwise defined or the context otherwise requires, all terms used in this IFA Letter shall have the same meanings as defined in the Circular.

1. INTRODUCTION

Section 1.1 of the Offer Document states the following:

"*Offer Announcement*

On 24 March 2016, the Offeror announced that:

*(a) the outstanding non-transferrable convertible bonds in an aggregate principal amount of S$11,000,000 convertible into an aggregate of 220,000,000 new Shares issued by the Company to the Offeror and his concert party, Sam Kok Yin, had, on the same day, been automatically converted into Shares at the conversion value of S$0.05 for each of the new Share ("**Conversion**"); and*

(b) as a result of the Conversion, the Offeror is required under Rule 14 of the Code to make the Offer.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com."

Offer Document

The Offer Document which was dispatched to the Shareholders on 8 April 2016 sets out, *inter alia*, the formal Offer by the Offeror for the Offer Shares, subject to the terms and conditions set out in the Offer Document.

In connection with the Offer, the Company appointed KGI Fraser Securities Pte. Ltd. ("**KGI Fraser**") as the independent financial adviser ("**IFA**") to the Directors who are considered independent for the purpose of making their recommendations to the Shareholders in respect of the Offer (the "**Independent Directors**"). This letter ("**IFA Letter**") is addressed to the Independent Directors, and sets out, inter alia, our evaluation and advice on the financial terms of the Offer and our recommendation thereon, and will form part of the Circular to be despatched to Shareholders.

2. TERMS OF REFERENCE

KGI Fraser has been appointed as IFA to advise the Independent Directors to provide an assessment of the financial terms of the Offer in order to advise the Independent Directors in respect of their recommendation to Shareholders in relation to the Offer, in compliance with the provisions of the Code, and to opine on the fairness and reasonableness of the terms of the Service Agreements as required by the SIC in the context of Rule 10 of the Code. We have confined our evaluation on the bases set out therein to the financial terms of the Offer and the Service Agreements.

Our terms of reference do not require us to evaluate or comment on the rationale, legal and commercial risk and/or merits (if any) of the Offer or on future financial performance or prospects of the Company and its subsidiaries (collectively known as the "**Group**") and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of Directors and the management (the "**Management**") of the Group although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving our recommendations as set out in this IFA Letter.

We were also not requested, instructed or authorized to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposal or transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future, and such comparison and consideration remains the responsibility of the Directors.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Directors and the Management of the Group and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Offer, the Company and the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept the responsibility accordingly.

For the purposes of assessing the financial terms of the Offer and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and the Group. We are not required to express, and we do not express, any view on the growth prospects or earnings potential of the Company and the Group in connection with our opinion in this letter. Accordingly, we are not expressing any view herein as to the prices at which the Shares may trade in the absence of the Offer.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including, without limitation, property, plant and equipment, inventories, receivables and payables) of the Group and we have not been furnished with any such evaluation or appraisal.

Our analysis and recommendation, as set out in this IFA Letter, is based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in the light of any subsequent development after the Latest Practicable Date that may affect our recommendations contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (except for this IFA Letter).

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part therof) for any other purposes at any time and in any manner, without the prior written consent of KGI Fraser.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and their advice and recommendation to the Shareholders in respect thereof. The recommendations made to the Shareholders in relation to the Offer remain the responsibility of the Independent Directors. Our opinion on the Special Deal Condition is addressed to the Independent Directors for their benefit and in the context of Rule 10 of the Code. Our recommendation to the Independent Directors in relation to the Offer and our opinion on the Special Deal Condition should be considered in the context of the entirely of this IFA Letter and the Circular.

3. THE OFFER

The detailed terms of the Offer are set out in the Offer Document dated 8 April 2016. The key terms of the Offer are set out below for your reference.

3.1 Offer

The Offeror offers to acquire all the Offer Shares subject to the terms and conditions set out in the Offer Document and the Acceptance Forms.

3.2 Offer Price

Subject to the terms and conditions of the Offer set out in the Offer Document, the Offeror is making the Offer for the Offer Shares on the following basis:

For each Offer Share: S$0.05 in cash (the "Offer Price")

The Offer Price is final. The Offeror does not intend to revise the Offer Price. The Offer will also not be extended beyond the first closing date of the Offer.

3.3 Offer Shares

The Offer is extended to all Offer Shares.

The Offer Shares will be acquired:

(a) fully paid;

(b) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever; and

(c) together with all rights, benefits and entitlements attached as at the Offer Announcement Date and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) (collectively, "**Distributions**") declared, paid or made by the Company on or after the Offer Announcement Date.

If any Distributions are announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such distributions in full in respect of any Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distributions.

3.4 Condition of the Offer

The Offer will be unconditional in all respects.

3.5 Further details of the Offer

Please refer to Section 2 and Appendix 1 of the Offer Document for further details of the Offer and Appendix 2 of the Offer Document for the procedures for acceptance of the Offer.

4. INFORMATION ON THE OFFEROR

The following has been extracted from Section 3 of the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully:

"3. INFORMATION ON THE OFFEROR

*The Offeror was appointed as the Executive Chairman of the Company on 25 September 2014. He is a citizen of the People's Republic of China ("**PRC**") and a permanent resident of Singapore. He is an established entrepreneur in the chemical industry and based in Jiangsu, PRC. To date, the Offeror has significant investments in several chemical related businesses. He is also involved in property development in both the PRC and Sydney, Australia.*

As at the Latest Practicable Date, the Offeror holds 185,000,000 Shares, representing 39.53% of Shares in issue as at the Latest Practicable Date. As at the Latest Practicable Date, the Offeror and his concert party hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of Shares in issue as at the Latest Practicable Date."

5. INFORMATION ON THE COMPANY

Corporate Information. The Company was incorporated in Singapore on 4 September 1975, and has been listed on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 20 January 2000. The Company was formerly known as Craft Print International Limited. In connection with the business diversification into (a) chemicals manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business; and (b) investing in companies and other entities through equity, securities and other instruments such as bonds or convertible bonds, and investing in quoted securities and instruments such as, without limitation, funds and bonds, the change of the Company's name to 'Abundance International Limited' was approved by Shareholders at an extraordinary general meeting held on 19 August 2015.

Principal Activities. As at the Latest Practicable Date, the Company is engaged in the businesses of chemical trading, investments, and commercial printing (adopting an outsourcing model without internal production). As previously announced by the Company, the Group had decided to scale down its business of commercial printing and had ceased internal production in respect of the business of commercial printing by 31 December 2015.

Certain additional information on the Company is set out in Appendix 3 to the Offer Document and Appendix II to the Circular.

6. OUTSTANDING OPTIONS

Section 5 of the Offer Document states the following:

"*As at the Latest Practicable Date, the Company has granted:*

(a) an option to the Offeror and his concert party, Sam Kok Yin, to require the Company to allot and issue an aggregate of 210,000,000 new Shares at the price of S$0.05 for each new Share which are exercisable during the period of 3 years commencing on 25 September 2015; and

(b) call options to Jiang Hao to require the Company to issue an aggregate of 69,176,472 new Shares at an issue price of S$0.085 per Share which are not currently exercisable and which are subject to certain conditions being met,

*(together, the "**Options**").*

The Options are not transferable as at the Latest Practicable Date. In view of this restriction, the Offeror will not make an offer to acquire the Options."

7. IRREVOCABLE UNDERTAKINGS

The following information on the Irrevocable Undertakings received by the Offeror to reject the Offer has been extracted from Section 9.1 of the Offer Document and reproduced below:

"*The Offeror has received irrevocable undertakings dated 8 May 2014 ("**Irrevocable Undertakings**"), from each of Ong Kwee Cheng (Dora) and Chan Charlie ("**Undertaking Shareholders**"), to reject or procure the rejection of the Offer in respect of 85,680,000 Shares. Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor his concert party has received any irrevocable undertakings from any other party to accept or reject the Offer.*"

Details of the shareholdings of the Undertaking Shareholders can be found in Section 9.2 of the Offer Document.

8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

The following has been extracted from the Section 6 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully:

"6.1 Rationale for the Offer

The Offer is made to comply with the requirements of the Code because following the Conversion, the Offeror and his concert party hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of Shares in issue as at the Latest Practicable Date.

6.2 Offeror's intention for the Company

It is the intention of the Offeror that the Company continues to carry on the business of chemical trading, investments and commercial printing (adopting an outsourcing model without internal production) and maintain its listing status on the SGX-ST. The intentions of the Offeror for the Company in respect of the business scope of the Company as set out in this paragraph 6.2 are based on current views and assumptions and there is no assurance that such current intentions will be carried into effect.

*Following the close of the Offer, the Offeror will continue to review the operations, management and financial position of the Company and its subsidiaries ("**Group**"), and to evaluate the redeployment of the fixed assets of the Company, and the continued employment of the employees of the Group. As previously announced by the Company, the Group had ceased internal production in respect of the printing business and had sold off certain machineries and equipment. The Offeror intends for the Group to continue taking* *steps to sell the other production assets, peripherals and raw materials previously used for the printing business that are no longer required, and to further reduce the headcount for this business segment."*

9. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:-

9.1 Market quotation and trading liquidity of the Shares;

9.2 Financial performance and financial position of the Group;

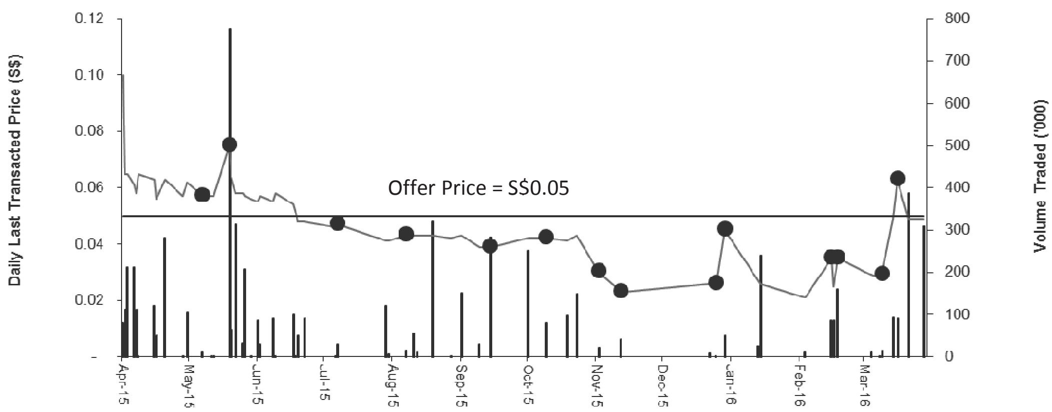
9.3 Comparison of the valuation statistics of selected companies broadly comparable to the Group;

9.4 Comparison with precedent takeovers of SGX-ST listed companies; and

9.5 Other relevant considerations.

9.1 Market quotation and trading liquidity of the Shares

A graphical representation of the daily closing prices and volume traded of the Shares for the period commencing 12 months prior to the Offer Announcement Date and ending on the Latest Practicable Date is set out below:-



Source: Bloomberg L.P.

A summary of the salient announcements relating to the Group's business operations and the Offer during the aforesaid period is as follows:

	Date	Event
1	31 Mar 2015	The Company announced change of joint company secretaries.
2	15 May 2015	The Company announced its unaudited half year financial statements for 6 months ended 31 March 2015.

	Date	Event
3	2 Jun 2015	The Company announced (a) the diversification of its business to chemicals manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business (the "**Chemical Business**") and investing in companies and other entities through equity, securities and other instruments such as bonds or convertible bonds, and investing in quoted securities and instruments such as, without limitation, funds and bonds (the "**Investment Business**") (b) the entering into a joint venture in relation to Orient-Salt Chemicals Pte. Ltd. (c) proposed change of name to "Abundance International Limited") (d) internal restructuring of the Group's printing business and (e) change in financial year end from 30 September to 31 December.
4	28 Jul 2015	The Company issued the notice of extraordinary general meeting to be held on 19 August 2015.
5	19 Aug 2015	The Company announced the results of the extraordinary general meeting held on 19 August 2015.
6	21 Aug 2015	The Company announced the change in company name and trading counter name.
7	30 Sep 2015	The Company announced the change in use of net proceeds of the issue of convertible bonds and placement which was completed on 25 September 2014.
8	22 Oct 2015	The Company announced an increase in share capital of subsidiary, Orient-Salt Chemicals Pte. Ltd. of S$6,120,000 using the proceeds from the issue of convertible bonds and placement.
9	12 Nov 2015	The Company announced that it has received the listing and quotation notice from the SGX-ST for the listing and quotation of 69,176,472 new shares.
10	16 Nov 2015	The Company announced the time frame for the release of the financial results of the Company pursuant to the change in financial year end from 30 September to 31 December. The Company announced the retrenchment of Vice President of Marketing department – Desmond Chan and IT and Admin Manager – Phua Chuan Siang Irwin.
11	30 Dec 2015	The Company announced the retrenchment of General Manager – Ong Sing Tuan Ivan. The Company announced (a) an update that it intends to cease internal production in respect of the printing business by 31 December 2015 and will focus more of its resources and efforts on the Chemical Business and Investment Business of the Group; (b) the deregistration of Craft Print International Pty Ltd; (c) an update on the Chemical Business and Investment Business and (d) use of net proceeds from the issue of convertible bonds and placement.
12	7 Jan 2016	The Company announced the change in shareholding interest of Sam Kok Yin in the Company from 28.29% to 28.3%.
13	14 Jan 2016	The Company announced the sale of certain machinery and equipment used for the Printing Business.
14	29 Feb 2016	The Company announced its unaudited full year financial statements for the year ended 31 December 2015. The Company announced the change in shareholding in its indirect subsidiary Touen Japan Co., Ltd.
15	3 Mar 2016	The Company announced the change in shareholding interest of Sam Kok Yin in the Company from 28.3% to 28.4%.

	Date	Event
16	7 Mar 2016	The Company announced it has given notice to Ms Ong Kwee Cheng to terminate her appointment as Executive Adviser with effect from 4 March 2016.
17	24 Mar 2016	The Company announced the issuance and allotment of 220,000,000 ordinary shares of the Company following the automatic conversion of S$11,000,000 bonds due 2016.
		The Company announced the mandatory unconditional cash offer by Mr Shi Jiangang.
18	31 Mar 2016	The Company announced the appointment of Lee Wai Keong, Michael as the Financial Controller of the Company.
		The Company announced the appointment of KGI Fraser Securities Pte. Ltd. as the independent financial adviser for the mandatory offer.

Source: Announcements relating to the Company on the SGX-ST

Additional information on the volume-weighted average prices ("**VWAP**") of the Shares and other trading statistics for the period commencing 12 months prior to the Offer Announcement Date and ending on the Latest Practicable Date is set out below:

	Lowest closing price (S$)	Highest closing price (S$)	VWAP(1) (S$)	Premium of/ (Discount to) Offer Price to VWAP (%)	Average daily traded volume(2) ('000)	Average daily trading volume as a percentage of free float(3) (%)
Periods prior to the Offer Announcement (and including the Offer Announcement Date)						
Last 12 months	0.0210	0.1000	0.0519	(3.5)	94.6	0.16
Last 6 months	0.0210	0.0450	0.0356	40.4	82.0	0.14
Last 3 months	0.0210	0.0450	0.0299	67.2	57.5	0.10
Last 1 month	0.0250	0.0350	0.0302	65.6	59.4	0.10
Last Trading Day(4)	0.0290	0.0290	0.0290	72.4	15.0	0.03
The last transacted price on the Last Trading Day on 23 March 2016 is S$0.0290						
Periods after the Offer Announcement Date and up to the Latest Practicable Date						
After the Offer Announcement Date and up to the Latest Practicable Date(5)	0.0490	0.0630	0.0502	(0.4)	220.0	0.4

Source: *Bloomberg L.P.*

Notes:-

(1) The VWAP for the respective periods are calculated based on the daily VWAP turnover divided by the VWAP volume as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation. The figures are rounded to the nearest four (4) decimal places;

(2) The average daily traded volume of the Shares is calculated based on the total volume of Shares traded on the SGX-ST during the relevant periods, divided by the number of market days when there were trades.

(3) Free float refers to the Shares other than those held by the Directors, substantial Shareholders and their associates (as defined in the Listing Manual). For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 58.6 million Shares based on the free float of 12.53% as disclosed in the Company's annual report for the financial period ended 31 December 2015.

(4) This refers to the last full market day prior to the Offer Announcement on which the Shares were traded ("**Last Trading Day**"), being 23 March 2016, and before the trading halt of the Shares on 24 March 2016.

(5) There was no trade done on the Latest Practicable Date.

We note the following with regard to the Share price performance of the Company:-

(a) the Offer Price is above the closing prices of the Shares since the 6-month period prior to and including the Offer Announcement Date.

(b) since the 12-month period prior to and including the Offer Announcement Date, the closing prices of the Shares ranged between a low of S$0.021 and a high of S$0.100. The Offer Price represents a premium of 138.1% over the lowest closing price and a discount of 50.0% to the highest closing price of the Shares respectively;

(c) the Offer Price represents a premium of approximately 40.4%, 67.2% and 65.6% above the VWAPs of the Shares for the 6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date, respectively;

(d) the Offer Price represents a slight discount of approximately 3.5% to the VWAP of the Shares for the 12-month period prior to and including the Offer Announcement Date;

(e) the Offer Price represents a premium of approximately 72.4% over the closing price of S$0.029 on 23 March 2016, being on the Last Trading Day on which the Shares were traded prior to the Offer Announcement Date and before the trading halt of the Shares on 24 March 2016; and

(f) the Offer Price represents a discount of approximately 0.4% over the VWAP of the Shares for the period after the Offer Announcement Date and up to the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:-

(a) the average daily traded volume of the Shares for the 12-month ,6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date was low, representing 0.16%, 0.14%, 0.10% and 0.10% of the free float respectively; and

(b) During the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume of the Shares was higher at approximately 220,000 Shares, but trading liquidity remained low, representing approximately 0.4% of the free float of the Shares.

We note that the Shares have been traded between approximately S$0.021 and S$0.100 over the 12-month period prior to and including the Offer Announcement Date. After the Offer Announcement Date and up to the Latest Practicable Date, the closing price of the Shares were close to the Offer Price. There was no trade done on the Latest Practicable Date.

Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or a promise of its future trading performance. There is no assurance that the price of the Shares will remain at current levels as and when the Offer completes.

9.2 Financial performance and financial position of the Group

A summary of the financial results of the Group for FY2013 to FY2015 is set out below:-

Review of Operating Results

	<------------Audited---------->	
S$'000	**FY2013(1)**	**FY2014(1)**
Revenue	14,606	13,299
Other income	478	435

Total costs and expenses	(18,395)	(17,289)
Loss from operating activities	**(3,311)**	**(3,555)**
Loss before taxation	(3,724)	(3,929)
Loss for the period attributable to the owners of the Company	**(3,731)**	**(3,887)**

Source: The Company's annual reports

	<------------Audited----------→	
S$'000	**Year ended 30 September 2014 (Restated)[1]**	**15 month period from 01/10/14 to 31/12/15 FP2015[2]**
Continuing operations		
Employee benefits expense	-	(73)
Other expenses	-	(50)
Loss before taxation	**-**	**(123)**
Income tax expenses	-	-
Loss for the period/year from continuing operations	**-**	**(123)**
Discontinued operations		
Loss for the period/year from discontinued operations	(3,929)	(9,171)
Loss for the year	**(3,929)**	**(9,294)**

Source: The Company's annual reports

Notes:-

(1) The figures are for 12 month period from 01 October to 30 September for year ended 30 September 2014.

(2) The Company has changed its financial year end from 30 September to 31 December. For FP2015, the figures are for 15 month period from 01/10/14 to 31/12/15.

The Group announced on 30 December 2015 its intention to cease internal production in respect of the printing business by 31 December 2015. As a result, the printing business will be treated as discontinued operations for the year ended 31 December 2015. That is, the income and expenses of the printing business are reported separately from the continuing operations of the Group.

The results of the discontinued operations of the disposal group are as follows:

S$'000	**15 month period from 01/10/13 to 31/12/14 FP2014**	**15 month period from 01/10/14 to 31/12/15 FP2015**
Revenue	16,428	13,414
Other income	512	393
Total costs and expenses	(21,487)	(22,380)
Loss from operating activities	**(4,547)**	**(8,573)**
Loss before taxation	(5,010)	(9,171)
Loss for the period/year	**(4,968)**	**(9,171)**

Source: The Company's annual reports and announcements

The revenue of the Group has been declining for the past three financial years. The Group has attributed this to continuing challenges facing the printing industry. On 30 December 2015, the Company has announced that in view of the continued difficult operating environment for the industry and the finite financial resources that the Group can allocate to each of its business segments, it has decided to scale down the printing business and adjust its operational model. The Group has therefore decided to cease internal production in respect of the printing business. Going forward, the

Group will focus more of its resources and efforts on the chemical business and investment business of the Group. It is expected that revenue contribution from, and loss attributable to, the printing business will be significantly lower for FY2016 as compared to FY2015.

FY2013 vs FY2014

The review of the operating results is based on the 12 month period from 01 October to 30 September for year ended 30 September 2013 ("**FY2013**") and 30 September 2014 ("**FY2014**") respectively.

For FY2014, the Group recorded revenue of S$13.3 million, which was S$1.3 million (8.9%) lower than the S$14.6 million recorded in FY2013 mainly due to lower sales arising from the continuing challenges facing the printing industry. Other income for FY2013 was slightly higher than for FY2014 due to recovery of bad debts in FY2013. Total costs and expenses for FY2014 declined by S$1.1 million (6.0%) compared to FY2013. This was mainly due to (a) decrease in raw materials cost and consumables used, freight and handling charges of S$0.4 million; (b) decrease in operating lease expenses of S$0.3 million due to expiry of a printing machinery lease; (c) decrease in utilities expenses of S$0.1 million due to lower utilities rates; and (d) changes in inventories of finished goods and work in progress of S$0.8 million; offset by increase in other expenses of S$0.6 million mainly due to the Group incurred a loss on disposal of machinery and impairment of amount due from associate during the financial year.

As a result of the above, the Group recorded a loss from operating activities of S$3.6 million for FY2014, an increase of 7.4% from FY2013.

FP2015 vs FP2014

The review of the operating results is based on the restated figures for the 15 month period from 1 October 2013 to 31 December 2014 ("**FP2014"**) and the 15 month period from 01 October 2014 to 31 December 2015 for year ended 31 December 2015 ("**FP2015**") due to the change in year end from 30 September to 31 December.

For FP2015, the Group's discontinued operations recorded a revenue of S$13.4 million, which was S$3.0 million (18.3%) lower than the S$16.4 million recorded in FP2014 mainly due to lower sales arising from the continuing challenges facing the printing industry. In line with lower sales, income received from sales of scrap paper decreased by S$0.1 million, thereby resulting in a decrease in other income by S$0.1 million. Total costs and expenses for FP2015 increased marginally by S$0.9 million compared to FP2014. This was mainly due to (a) increase in write-down of paper inventory of S$0.5 million and (b) increase in employee benefits expenses of S$0.9 million due to retrenchment benefits paid in FP2015; offset by (a) decrease in freight and handling charges and repairs and maintenance expenses of S$0.4 in line with decreased sales and (b) decrease in utilities expenses of S$0.3 million as a result of lower tariff rates and lower consumption.

As a result of the above, the losses increased and the Group recorded a loss from operating activities of S$8.6 million for FP2015, an increase of 84.6% from FP2014.

Outlook of the Group

We note that going forward for the financial year ending 31 December 2016, the Group intends to focus more of its resources and efforts on the chemicals trading business conducted via its 51% owned subsidiary Orient Salt Chemicals Pte. Ltd ("**OSC**"). OSC has set up a subsidiary in each of the PRC and in Japan. We understand from the Management that as at the Latest Practicable Date, OSC group has already commenced operations and is expected to contribute materially to the revenue of the Group for FY2016. The Group has ceased internal production in respect of the printing business. Any outstanding or new sales orders that have been or may be received in respect of printing business will be outsourced to other printers on behalf of the Group. It is expected that revenue contribution from, and loss attributable to, the printing business will be significantly lower for FY2016 as compared to FP2015. Subsequent to 31 December 2015, the Group has achieved sales of approximately US$10 million in the new chemical business.

Historical Price-earnings Ratio ("**P/E**") implied by the Offer Price

P/E illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The P/E is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical P/E is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

We note that the Group recorded a loss of S$9.3 million in FP2015, as such, an evaluation of the Offer Price based on the implied P/E of the Group is not meaningful.

Review of Financial Position

S$'000	**Audited As at 31 December 2015**
Current assets	12,347
Assets directly associated with discontinued operations	24,338
Non-current assets	-
	36,685
Current liabilities	449
Liabilities directly associated with discontinued operations	12,964
Non-current liabilities	-
	13,413
Total equity	**23,272**

As at 31 December 2015, the Group has total assets of S$36.7 million comprising current assets of S$12.3 million (33.7%) and assets directly associated with discontinued operations of S$24.3 million (66.3%). Total current assets of S$12.3 million comprise mainly advances and prepayments of S$2.8 million (23.0%) and cash and bank balances of S$9.4 million (76.4%). The assets directly associated with discontinued operations relate to the printing business which has been treated as discontinued operations. The assets directly associated with the discontinued operations comprise current assets of S$3.3 million (13.5%) and non-current assets of S$21.0 million (86.4%). Total current assets of S$3.3 million comprise mainly inventories of S$0.9 million (26.6%) and trade and other receivables of S$2.3 million (70.4%). Total non-current assets of S$21.0 million comprise property, plant and equipment. Property, plant and equipment comprise mainly leasehold land and buildings of net book value S$19.5 million. The leasehold land and building is in respect of the factory building located at 9 Joo Koon Circle Singapore 629041, and is stated at fair value, which has been determined based on a valuation dated 31 December 2015.

As at 31 December 2015, the Group has total liabilities of S$13.4 million comprising mainly liabilities directly associated with discontinued operations of S$13.0 million. The liabilities directly associated with discontinued operations comprise current liabilities of S$10.5 million (81.0%) and non-current liabilities of S$2.5 million (19.0%). Total current liabilities comprise trade payables of S$1.3 million (11.9%), other payables and accruals of S$2.2 million (20.7%), amounts due to directors of S$4.3 million (41.8%), loans and borrowings of S$2.7 million (25.6%) and finance lease liabilities of S$5,000. Total non-current liabilities of S$2.5 million comprise mainly deferred tax liabilities of S$2.4 million relating to the fair value of the Company's factory building at 9 Joo Koon Circle Singapore 629041 as the Group had ceased internal production for its printing business.

On 10 December 2014, pursuant to the Subscription Agreement (as defined in the Company's announcement dated 8 May 2014), Mr Sam Kok Yin exercised his right to convert a principal amount of S$3,000,000 in Convertible Bonds (as defined in the Company's announcement dated 8 May 2014) into 60,000,000 shares of the Company. This resulted in a share capital of S$24.3 million as at 31 December 2015.

NTA of the Group and Price-to-NTA ("**P/NTA**") ratio of the Group implied by the Offer Price

The net tangible assets ("**NTA**") based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realize or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

Based on the Group's audited financial statements as at 31 December 2015, the NTA attributable to the shareholders of the Group as at 31 December 2015 is approximately S$17.5 million or 7.04 cents per Share based on 248,000,000 shares of the Company as at 31 December 2015. The Group has no intangible assets as at 31 December 2015. The Offer Price represents a discount of 28.9% to the NTA per Share, or a P/NTA ratio of 0.71 times.

We note that during the 6-month period prior to the Offer Announcement Date, the Shares have been trading at a substantial discount to the NTA per Share. The VWAP of the Shares during the 6-month period prior to the Offer Announcement Date was S$0.0356 representing a significant discount of approximately 49.4% to the Group's NTA per Share as at 31 December 2015.

On 24 March 2016, the Company announced the issuance and allotment of 220,000,000 ordinary shares at the conversion price of S$0.05 per share, following the automatic conversion of S$11,000,000 convertible bonds due 2016. This resulted in an increase in the number of issued and paid-up shares in the capital of the Company from 248,000,000 ordinary shares to 468,000,000 ordinary shares. For illustrative purposes, the NTA per Share as at 31 December 2015 based on the enlarged share capital of 468,000,000 shares is 3.73 cents per Share. The Offer Price represents a premium of 34.1% to the NTA per Share, or a P/NTA ratio of 1.34 times.

For the purpose of making a comparison on the P/NTA basis of the Group with the Comparable Companies and Selected Comparable Transactions as set out in paragraph 9.3 and 9.4 below, we have used the above P/NTA of 1.34 times.

In our evaluation of the financial terms of the Offer, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which were recorded in the statement of financial position of the Group as at 31 December 2015, and whether there are any factors which have not been otherwise disclosed in the financial information of the Group that are likely to impact the NTA as at 31 December 2015.

The Directors have confirmed that to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the book NTA of the Group as at the Latest Practicable Date to be materially different from that recorded in the audited balance sheet of the Group as at 31 December 2015; (b) save as disclosed in the announcement dated 7 January 2016 on the sale of machinery and equipment amounting to S$1.85 million, there have been no material disposals or acquisitions of assets by the Group since 31 December 2015 and up to the Latest Practicable Date; and (c) there are no contingent liabilities or bad or doubtful debts which are likely to have a material impact on the audited NTA of the Group as at 31 December 2015.

9.3 Comparison of the valuation statistics of selected companies broadly comparable to the Group

For the purpose of assessing the financial terms of the Offer, we have referred to the current valuation statistics of selected listed companies on the SGX-ST, which business operations we consider to be broadly comparable to the Group ("**Comparable Companies**"). The Comparable Companies are broad proxies to the Group's business and is intended to serve only as an illustrative guide.

We have had discussions with the Management of the Company about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. We note in the announcement made by the Company on 30 December 2015 that the Company has ceased internal production in respect of the business of the printing business by 31 December 2015 and intends to focus more of its resources and efforts on the chemical trading business going forward for the financial year ending 31 December 2016. As at the Latest Practicable Date, the Company is principally engaged in the businesses of chemical trading, investments, and commercial printing (adopting an outsourcing model without internal production). In the analysis of the comparables, we should have compared with companies in the chemical trading industry. However, as the Group has just commenced the chemical trading business with sales recorded subsequent to 31 December 2015, and the historical revenue for year ended 31 December 2015 comprised wholly the sales from the printing business, we have therefore used Comparable Companies engaged in the printing business for this evaluation. This may not be the best method but there is no other choice given the current circumstances.

Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

Shareholders should note that there may not be any company listed on any relevant stock exchange that is directly comparable to the Group in terms of, inter alia, market capitalisation, size, diversity of business activities, asset base, geographical spread, customer base, brand loyalty, track record, financial performance, future prospects, operating and financial leverage, liquidity, risk profile, quality of earnings and accounting, and other relevant criteria. Therefore, any comparison made herein serves as an illustrative guide for Shareholders and the conclusions drawn from the comparison may not be necessarily reflect the perceived market valuation of the Shares as at the Latest Practicable Date. We wish to highlight that the list of Comparable Companies is by no means exhaustive.

A brief description of the Comparable Companies is as follows:-

Companies	**Key activities**
Midas International Holdings Ltd	Midas International Holdings Limited, through its subsidiaries, operates commercial printing business that prints magazines, books, newspapers, and packaging materials. The Company also develops and invests in properties.
REF Holdings Ltd	REF Holdings Limited is printing service company. The Company provides financial printing services, from typesetting, proofreading, translation, design, printing, web submitting, newspaper placement to distribution.
Tien Wah Press Holdings Bhd	Tien Wah Press Holdings Berhad is an investment holding company. The Company's subsidiaries' businesses include photo-lithographer and printing, specialized book printer and printing, folding carton converter, and rotogravure printing. Tien Wah Press also manufactures and sells standard and perforated tipping papers, laminated papers, foil products, and other paper converting activities.
BHS Industries Bhd	BHS Industries Bhd offers commercial printing services. The Company prints magazines, textbooks, general publications, directories, annual reports, brochures, and pamphlets.

Source: Bloomberg L.P., annual reports and announcement of the respective Comparable Companies

In assessing the financial terms of the Offer, we have used the following valuation measures in our analysis:

Valuation Measure	**Description**
Price-to-earnings ratio ("**P/E**")	P/E ratio or earnings multiple illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.

Valuation Measure	Description
Price-to-NTA ratio ("**P/NTA**")	P/NTA ratio illustrates the ratio of the market price of a company's shares relative to its asset backing as measured in terms of its historical consolidated NTA per share as stated in its financial statements. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparison of companies using their book NTAs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation practice.
Enterprise value to EBITDA Ratio ("**EV/EBITDA**")	The historical EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. "EV" is the sum of a company's market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. "EBITDA" refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.

The valuation measures of the Comparable Companies is set out below:

Comparable Companies	**Listing Location**	**Market Capitalisation[(1)]**	**Historical P/E[(1) (2)]**	**Historical P/NTA[(1) (3)]**	**Historical EV/EBITDA[(1)]**
		(S$' million)	**(times)**	**(times)**	**(times)**
Midas International Holdings Ltd	Hong Kong	113.1	NA[(4)]	1.0	NA[(5)]
REF Holdings Ltd	Hong Kong	38.6	7.6	3.5	4.2
Tien Wah Press Holdings Bhd	Malaysia	82.0	6.9	0.9	4.5
BHS Industries Bhd	Malaysia	67.3	51.9	1.5	175.7
High			51.9	3.5	175.7
Low			6.9	0.9	4.2
Mean			22.1	1.7	61.4
Median			7.6	1.2	4.5
The Company (implied by the Offer Price)		**23.4**	**NA[(4)]**	**1.3**	**NA[(5)]**

Source: Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies

Notes:-

(1) Market capitalization, historical P/E and P/NTA of the Comparable Companies were based on their respective closing prices as at the Latest Practicable Date.
(2) Based on the historical full year consolidated earnings of the respective Comparable Companies.
(3) The P/NTA ratios of the Comparable Companies were based on their respective NTA values as set out in their latest available published financial statements as at the Latest Practicable Date.
(4) Not applicable as the respective companies were in a net loss position.
(5) Not applicable as the respective companies had negative EBITDA.

Based on the above, we note that:-

(a) The P/NTA ratio of the Group implied by the Offer Price of 1.3 times is within the range of the P/NTA ratios of the Comparable Companies and higher than the median P/NTA ratio of the Comparable Companies of 1.2 times;

(b) The Company recorded a loss of S$9.3 million for financial period ended 31 December 2015. Accordingly, no comparison to historical P/E and historical EV/EBITDA was made.

9.4 Comparison with precedent takeovers of SGX-ST listed companies

We note that it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. In assessing the reasonableness of the Offer Price, we have compared the financial statistics implied by the Offer Price with those of selected recent completed take-overs for companies listed on the SGX-ST which were announced in the 24-month period prior Offer Announcement where it was indicated the offeror's intentions to preserve the listing status of the target companies (collectively, the "**Selected Comparable Transactions**")

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions are not directly comparable with the Company in terms of market capitalisation, size of operations, business activities, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, *inter alia*, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target company's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

Company	Date of Announcement	Type[(2)]	Premium/(Discount) of offer price[(1)] over/(to) Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	P/NTA (times)
Adventus Holdings Limited	12-Mar-14	MGO	(13.2)	(21.4)	(31.3)	(34.0)	1.2
Global Premium Hotels Limited	13-Mar-14	VGO	13.4	16.7	21.4	24.1	0.5
Olam International Limited	14-Mar-14	VGO	11.8	24.3	33.0	39.9	1.8
Hotel Properties Limited	14-Apr-14	MGO	29.4	33.8	35.1	32.2	1.3
LCD Global Investments Ltd	21-Apr-14	MGO	11.8	16.4	18.1	17.2	0.6
Kian Ho Bearings Limited	4-Jun-14	MGO	(6.0)	9.0	10.5	11.0	0.7
CH Offshore Ltd	11-Dec-14	VGO	6.5	8.1	5.4	5.1	1.3
Hafary Holdings Limited	30-Dec-14	VGO	9.1	11.1	11.1	14.8	1.3
LCD Global Investments Ltd	12-Jan-15	VGO	10.0	11.5	13.4	13.4	1.2
XYEC Holdings Co., Ltd	30-Jan-15	VGO	20.0	31.0	34.5	37.6	1.4
United Envirotech Ltd	5-Mar-15	VGO	12.6	16.5	20.2	28.1	2.4
IPC Corporation Ltd	1-Apr-15	MGO	2.7	4.5	5.5	7.4	0.7
Novo Group Ltd	24-Sep-15	MGO	161.5	188.1	151.9	163.6	7.5
Jacks International Limited	6-Oct-15	MGO	90.5	103.5	103.5	121.8	1.9
Starland Holdings Limited	14-Oct-15	MGO	24.9	45.7	60.5	73.5	0.9

Company	Date of Announcement	Type[(2)]	Premium/(Discount) of offer price[(1)] over/(to) Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	P/NTA (times)
High			**161.5**	**188.1**	**151.9**	**163.6**	**7.5**
Low			**(13.2)**	**(21.4)**	**(31.3)**	**(34.0)**	**0.5**
Mean			**25.7**	**33.3**	**32.9**	**37.1**	**1.6**
Median			**11.8**	**16.5**	**20.2**	**24.1**	**1.3**
The Company	**24-Mar-16**	**MGO**	**72.4**	**65.6**	**67.2**	**40.4**	**1.3**

Source: SGX-ST announcements, circulars and relevant documents of the respective Selected Comparable Transactions.

Notes:-
(1) Offer price is based on the final offer price per share.
(2) MGO refers to mandatory general offer. VGO refers to voluntary general offer.

The key observations in respect of the above are highlighted below:-

(a) the premium implied by the Offer Price against the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares prior to the Offer Announcement Date is within the range and is significantly higher than the mean and median premiums of the Selected Comparable Transactions for the corresponding periods; and

(b) the P/NTA ratio of the Group of 1.3 times implied by the Offer Price is within the range of P/NTA of the Selected Comparable Transactions, same as the median P/NTA of the Selected Comparable Transactions of 1.3 times but lower than the mean P/NTA of the Selected Comparable Transactions of 1.6 times.

Independent shareholders should note that the above comparison with the Selected Comparable Transactions is purely for illustrative purposes only.

9.5 Other Relevant Considerations

9.5.1 Irrevocable Undertakings

Section 9.1 of the Offer Document states the following:

"***Irrevocable Undertakings***

The Offeror has received irrevocable undertakings dated 8 May 2014 ("Irrevocable Undertakings"), from each of Ong Kwee Cheng (Dora) and Chan Charlie ("Undertaking Shareholders"), to reject or procure the rejection of the Offer in respect of 85,680,000 Shares. Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor his concert party has received any irrevocable undertakings from any other party to accept or reject the Offer."

9.5.2 Dividend record of the Group

We understand from the Company that it does not have a formal dividend policy. We note that the Company had not declared any dividends for the past 3 years. The Offer Price offers Shareholders with a cash exit opportunity.

9.5.3 No alternative take-over offer from third parties

As at the Latest Practicable Date, the Directors have confirmed that, apart from the Offer made by the Offeror, the Company has not received any alternative offer from any other party.

9.5.4 The Offeror's intentions for the Company

As set out in Section 6.2 of the Offer Document, it is the current intention of the Offeror that the Company continues to carry on the business of chemical trading, investments and commercial printing (adopting an outsourcing model without internal production) and maintain its listing status on the SGX-ST. The intentions of the Offeror for the Company in respect of the business scope of the Company are based on current views and assumptions and there is no assurance that such current intentions will be carried into effect.

9.5.5 Listing status of the Company

As set out in Section 7 of the Offer Document, it is the current intention of the Offeror to maintain the listing status of the Company on the Catalist of the SGX-ST. Accordingly, the Offeror does not intend to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act. The Offeror also reserves the right to take appropriate actions to comply with Rules 724 and 1104 of the Catalist Rules, including but not limited to carrying out a placement of the Shares such that at least 10% of the Shares are held by at least 200 shareholders who are members of the public, should the need arises.

9.5.6 Mandatory unconditional general cash offer and no revision to the Offer Price

The Offer is made by the Offeror as a result of the Conversion and is made to comply with the Rule 14 of the Code because following the Conversion, the Offeror and his Concert Party will hold an aggregate of 290,411,100 Shares, representing approximately 62.05% of Shares in issue following the Conversion. The Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

The Offer Price is final and the Offeror does not intend to revise the Offer Price. The Offer will also not be extended beyond the first closing date of the Offer.

10. EVALUATION OF THE SPECIAL DEAL CONDITION

As disclosed in Section 8.3 of the Circular, the Special Deal Condition is in relation to the Service Agreements which the SIC had ruled that they will not be considered as special deal by the Offeror, subject to the IFA publicly stating that in its opinion the terms of the Service Agreements are fair and reasonable. Our evaluation of the Special Deal Condition is set our below.

Service Agreements

In connection with the subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") between the Company and Messrs Shi Jiangang and Sam Kok Yin, Mr Chan Charlie and Madam Ong Kwee Cheng (Dora) ("**Madam Dora Ong**") had on 25 September 2014 entered into addenda to their service agreements with the Company, pursuant to which, *inter alia*, the monthly salary of Mr Chan Charlie (as the Managing Director) was increased from S$18,000 to S$25,000 and the monthly salary of Madam Dora Ong (as the Executive Adviser) was increased from S$10,000 to S$20,000 ("**Service Agreements**").

We note that in the announcement dated 7 March 2016, the Company has terminated Madam Dora Ong's service agreement as an Executive Advisor with effect from 4 March 2016 in view of the cessation of internal production of the printing business of the Company and the operations work load for this business has significantly reduced. As at Latest Practicable Date, Madam Dora Ong is an Alternate Director to Mr Chan Charlie. Nonetheless, for purposes of complying with the SIC condition, the IFA is still required to opine on the terms of her service agreement.

As at the Latest Practicable Date, the shareholding of Mr Chan Charlie and Madam Dora Ong is as follows:

	Direct Interest		Deemed Interest		Total Interest	
Directors	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**

Mr Chan Charlie[(2)(3)]	10,988,896	2.35	104,651,359	22.36	115,640,255	24.71
Madam Dora Ong[(2)(3)]	19,151,359	4.09	96,488,896	20.62	115,640,255	24.71

Notes:-

(1) Calculated based on 468,000,000 Shares of the Company as at the Latest Practicable Date.

(2) Madam Dora Ong and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.

(3) Madam Dora Ong and Mr Chan Charlie are deemed to be interested in each other's shareholdings as they are spouses.

We understand that Madam Dora Ong is the founder of the Company (then known as Craft Print International Limited, "**Craft Print**"). Following the completion of the convertible bonds and the placement issue on 25 September 2014, she retired as the Executive Chairman and as an Executive Director of Craft Print. Consequent to her retirement, Madam Dora Ong was appointed as an Executive Adviser to the Company for a two-year term. In addition, Mr Chan Charlie, the Managing Director, had appointed her as his alternate director.

As the Managing Director, Mr Chan Charlie overseas the sales and marketing functions as well as production and planning operations. He has over 50 years of experience in printing, marketing and advertising.

Both Mr Chan Charlie and Madam Dora Ong had, over the years since the listing of the Company in 2000, agreed to substantial salary cuts in view of the poor financial performance of the Company as they were then the largest, controlling shareholders of the Company. Prior to the Service Agreements, the monthly salary of Mr Chan Charlie and Madam Dora Ong was S$18,000 and S$10,000 respectively. After the conversion of the convertible bonds, they are no longer the controlling shareholders. Therefore, it is reasonable for the Company to pay them a remuneration which is a better reflection of the market rate for executives of their seniority and experience in order to retain their services.

We have done a comparison to the salaries earned by Executive Directors for SGX companies listed on the Catalist in 2014 till 2016 with revenue for the most-recent financial year in the range of S$10 million to S$20 million ("**Salary Comparison Companies**").

Company	Revenue	Salary structure for Executive Directors	
Secura Group Limited	S$16.3 million	Executive Director and CEO	S$250,000 - S$500,000 per annum
		Executive Director, CFO and General Manager	S$250,000 - S$500,000 per annum and share based incentive plan
Eindec Corporation Limited	S$14.3 million	Executive Director and CEO	S$240,000 per annum, annual wage supplement of 1 month's salary and a performance bonus the amount to be determined by the company.
The Trendlines Group Ltd.	US$8.6 million	Chairman and CEO (1)	S$1,000,000 - S$1,250,000 per annum
		Chairman and CEO (2)	S$1,000,000 - S$1,250,000 per annum
CMC Infocomm Limited	S$15.9 million	Executive Director and CEO	S$180,000 per annum, fixed bonus of 1 month's salary and incentive bonus as follows: 1% of PBT if S$2.5 million<PAT<S$5 million; 1.25% of PBT if S$5 million<PAT<S$8 million; 1.5% of PBT if S$8 million<PAT<S$12 million; 1.75% of PBT if PAT>S$12 million Where: PBT refers to profit before tax; and PAT refers to profit after tax.
		Executive Director	S$156,000 per annum, fixed bonus of 1 month's salary and incentive bonus as follows:

Company	Revenue	Salary structure for Executive Directors	
			1% of PBT if S$2.5 million<PAT<S$5 million; 1.25% of PBT if S$5 million<PAT<S$8 million; 1.5% of PBT if S$8 million<PAT<S$12 million; 1.75% of PBT if PAT>S$12 million
Singapore O&G Ltd.	S$13.5 million	Executive Chairman	S$384,000 per annum and incentive bonus = (audited PAT - S$1,038,897) x 0.2)
		Executive Director (1)	S$1,000,000 per annum and incentive bonus = (audited PAT - S$1,849,852) x 0.2
		Executive Director (2)	S$444,000 per annum and incentive bonus = (audited PAT - S$830,000) x 0.2 OR in for FY2015-FY2019 = (audited PAT - S$1,000,000) x 0.2
mm2 Asia Ltd.	S$16.1 million	CEO	S$240,000 per annum, annual wage supplement of 1 month's salary and performance bonus as follows: 5% of PBT if S$2 million<PBT<S$4 million; S$100,000 + 7% of PBT in excess of S$4 million; S$240,000 + 9% of PBT in excess of S$6 million
Zico Holdings Inc.	S$19.2 million	Managing Director	S$504,000 per annum, annual wage supplement of 1 month's salary and incentive bonus to be determined and approved by the Remuneration committee
		Executive Director (1)	S$360,000 per annum, annual wage supplement of 1 month's salary and incentive bonus to be determined and approved by the Remuneration committee
		Executive Director (2)	S$360,000 per annum, annual wage supplement of 1 month's salary and incentive bonus to be determined and approved by the Remuneration committee
MS Holdings Limited	S$17.0 million	Executive Chairman	Less than S$250,000 per annum, annual fixed bonus of 1 month's salary and discretionary bonus
		Executive Director	S$264,000 per annum, annual fixed bonus of 1 month's salary and annual performance bonus of 5% of PBT if PBT>S$3.5 million
		Executive Director and CEO	S$250,001 to S$500,000 per annum, annual fixed bonus of 1 month's salary and discretionary bonus

Source: Respective companies' Prospectus

We wish to highlight that the list of companies set out under the Salary Comparable Companies are not directly comparable with the Company in terms of market capitalisation, size of operations, business activities, accounting policies, financial performance, future prospects and other relevant criteria. Salaries drawn by Directors may also vary based on sectors and industries.

We observed that the salaries in the Service Agreements for Mr Charlie Chan and Madam Dora Ong respectively are reasonable when compared with the salaries drawn by executive directors for the Salary Comparison Companies.

11. OUR ADVICE ON THE OFFER AND OUR OPINION ON THE SPECIAL DEAL CONDITION

In arriving at our recommendation in respect of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:-

(a) Market quotation and trading liquidity of the Shares;

(b) Financial performance and financial position of the Group;

(c) Comparison of the valuation statistics of Comparable Companies;

(d) Comparison with precedent takeovers of SGX-ST listed companies; and

(e) Other relevant considerations.

We set out below a summary of the factors we have taken into our consideration:

(a) in relation to the Share price performance of the Company:

- the Offer Price is above the closing prices of the Shares since the 6-month period prior to and including the Offer Announcement Date;

- since the 12-month period prior to and including the Offer Announcement Date, the closing prices of the Shares ranged between a low of S$0.021 and a high of S$0.100. The Offer Price represents a premium of 138.1% over the lowest closing price and a discount of 50.0% to the highest closing price of the Shares respectively; and

- the Offer Price represents a premium of approximately 72.4% over the closing price of S$0.029 on 23 March 2016, being the Last Trading Day on which the Shares were traded prior to the Offer Announcement Date and before the trading halt of the Shares on 24 March 2016 and a premium of approximately 40.4%, 67.2% and 65.6% above the VWAPs of the Shares for the 6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date, respectively;

(b) in relation to the trading liquidity of the Shares:

- the trading liquidity of the Shares has generally been thin in the past. The average daily traded volume of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Offer Announcement Date represents 0.16%, 0.14%, 0.10% and 0.10% of the free float respectively; and

- during the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume of the Shares was higher at approximately 220,000 Shares, but trading liquidity remained low, representing approximately 0.4% of the free float of the Shares;

(c) the historical financial performance and financial position of the Group, as set out in paragraph 8.2 of this IFA Letter. The Group's revenue has been declining over the past 3 financial years. In FP2015, the Group recorded a loss of S$9.3 million due to decrease in sales in view of the continued challenges facing the printing business. The Company has not paid any dividends for the past 3 financial years. As at 31 December 2015, the Company has ceased internal production of the printing business and going forward, the Group will focus more of its resources and efforts on the chemical business and investment business of the Group;

(d) the Offer Price represents a premium of 34.1% to the illustrative NTA per Share of the Group of 3.73 cents;

(e) in comparison with the valuation statistics of the Comparable Companies, the P/NTA ratio of the Group implied by the Offer Price of 1.3 times is within the range of the P/NTA ratios of the Comparable Companies and higher than the median P/NTA ratio of the Comparable Companies of 1.2 times;

(f) in comparison with the valuation statistics of the Selected Comparable Transactions,

- the premium implied by the Offer Price against the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares prior to the Offer Announcement Date is within the range and is also significantly higher than the mean and median premiums of the Selected Comparable Transactions for the corresponding periods; and

- the P/NTA ratio of the Group of 1.3 times implied by the Offer Price is within the range of P/NTA of the Selected Comparable Transactions, same as the median P/NTA of the Selected Comparable Transactions of 1.3 times but lower than the mean of the Selected Comparable Transactions of 1.6 times;

(g) the Offeror has obtained Irrevocable Undertakings from the Undertaking Shareholders, to reject or procure the rejection of the Offer in respect of 85,680,000 Shares, representing 18.3% of the issued Shares of the Company;

(h) the Offeror does not intend to revise the Offer Price and has stated its intention to maintain the listing status of the Company; and

(i) the absence of any alternative take-over offer from third parties as at the Latest Practicable Date.

Based on our analysis as set out above and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the financial terms of the Offer Price are, on balance, fair and reasonable.

Accordingly, we advise the Independent Directors to recommend the Shareholders to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting all related expenses. The Offer Price offers Shareholders an exit opportunity and there is no certainty that Shareholders will otherwise be able to obtain a better value for their Shares if the Offer lapses.

Based on our evaluation of the terms of the Service Agreements and the information available to us as at the Latest Practicable Date, we are of the opinion that, as a whole, the terms of the Service Agreements are fair and reasonable in the context of Rule 10 of the Code.

The Independent Directors should note that we have arrived at our advice based on information made available to us as at the Latest Practicable Date. Our advice on the Offer cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer.

We have prepared this letter for use of the Independent Directors in connection with and for the purpose of their consideration of the Offer, but any recommendation made by the Independent Directors in respect of the Offer shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Offer) at any time and in any manner, without the prior written consent of KGI Fraser in each specific case. Further, the Independent Directors should advise Shareholders that the opinion and advice of KGI Fraser should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
KGI Fraser Securities Pte. Ltd.

Tony Lim	**Sheila Ong**
Head of Corporate Finance	Deputy Head, Corporate Finance

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation in the Company
Mr Shi Jiangang	c/o 9 Joo Koon Circle Singapore 629041	Executive Chairman
Mr Chan Charlie	c/o 9 Joo Koon Circle Singapore 629041	Managing Director
Mdm Ong Kwee Cheng (Dora)	c/o 9 Joo Koon Circle Singapore 629041	Alternate Director to Mr Chan Charlie
Mr Sam Kok Yin	c/o 9 Joo Koon Circle Singapore 629041	Executive Director
Mr Chan Cher Boon	c/o 9 Joo Koon Circle Singapore 629041	Lead Independent Director
Mr Tham Hock Chee	c/o 9 Joo Koon Circle Singapore 629041	Independent Director
Mr Francis Yau Thiam Hwa	c/o 9 Joo Koon Circle Singapore 629041	Independent Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 4 September 1975, and has been listed on the Catalist Board of the SGX-ST since 20 January 2000.

The Company was formerly known as “Craft Print International Limited”. In connection with the business diversification into (a) chemicals manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business; and (b) investing in companies and other entities through equity, securities and other instruments such as bonds or convertible bonds, and investing in quoted securities and instruments such as, without limitation, funds and bonds, the change of the Company’s name to “Abundance International Limited” was approved by Shareholders at the Extraordinary General Meeting held on 19 August 2015.

As at the Latest Practicable Date, the Company is principally engaged in the businesses of chemical trading, investments, and commercial printing (adopting an outsourcing model without internal production). As previously announced, the Group had decided to scale down its business of commercial printing and had ceased internal production in respect of the business of commercial printing by 31 December 2015.

3. SHARE CAPITAL

3.1 Issued share capital of the Company

The Company has only one (1) class of shares, being ordinary shares.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S$35,424,762 comprising 468,000,000 Shares. There are no treasury shares in the share capital of the Company. The Shares are quoted and listed on the Catalist of the SGX-ST.

3.2 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Company's Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in Appendix III to this Circular.

3.3 Number of Shares issued since the end of the last financial year

Save as disclosed below, as at the Latest Practicable Date, there has been no issue of new Shares by the Company since 31 December 2015, being the end of the last financial year.

At the Extraordinary General Meeting of the Company held on 19 September 2014, the Shareholders had approved the issue of non-transferrable convertible bonds due 2016 (the "**Bonds**") in aggregate principal amount of S$14,000,000 convertible into an aggregate of 280,000,000 new Shares (the "**Bonds Issue**") to Messrs Shi Jiangang and Sam Kok Yin, pursuant to the Subscription Agreement entered into between the Company and each of Mr Shi Jiangang and Mr Sam Kok Yin, at an exercise price of S$0.05. The completion of the Bonds Issue had taken place on 25 September 2014. On 10 December 2014, the Company had issued and allotted 60,000,000 Shares to Mr Sam Kok Yin, following the issue of a conversion notice by Mr Sam Kok Yin for the conversion of S$3,000,000 Bonds due 2016.

Pursuant to the terms of the Bonds, such Bonds that are not exercised within the 18 months' period from the date of issue of the Bonds (the "**Conversion Period**") will be automatically converted into Shares at the expiration of the Conversion Period. Accordingly, on 24 March 2016, following the automatic conversion of the remaining S$11,000,000 Bonds, the Company had issued and allotted 220,000,000 Shares in the following proportions:

Name of Subscriber	Number of Shares
Mr Shi Jiangang	185,000,000
Mr Sam Kok Yin	35,000,000

Shareholders should refer to the Company's circular dated 3 September 2014 and the announcements released by the Company on SGXNET for further details on the Bonds Issue.

3.4 Convertible instruments

Save as disclosed below, as at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting shares in the Company.

As at the Latest Practicable Date, the Company has granted:

(a) a call option to require the Company to allot and issue an aggregate of up to 210,000,000 new Shares (the "**Option Shares**") at the price of S$0.05 per Share to Messrs Shi Jiangang and Sam Kok Yin, exercisable during the period of three (3) years commencing on 25 September 2015, in the manner set out below:

Name of Subscriber	Number of Option Shares
Mr Shi Jiangang	138,750,000
Mr Sam Kok Yin	71,250,000,

pursuant to approval of the Shareholders given at the extraordinary general meeting of the Company on 19 September 2014; and

(b) call options to Mr Jiang Hao to require the Company to issue an aggregate of 69,176,472 new Shares at an issue price of S$0.085 per Share, which are not currently exercisable and are subject to certain conditions being met,

(together, the "**Options**").

Shareholders should refer to the Company's Circular dated 3 September 2014 for further details on the call option granted to Mr Shi Jiangang and Mr Sam Kok Yin and the announcements released by the Company on SGXNET on 2 June 2015 and 2 November 2015 for further details on the call options granted to Mr Jiang Hao.

4. SUMMARY OF FINANCIAL INFORMATION

4.1 Financial Information of the Group

A summary of the audited consolidated statement of comprehensive income of the Group for FY2013, FY2014 and FY2015 is set out below.

The following summary should be read together with the annual reports, the audited consolidated financial statements of the Group for FY2013, FY2014 and FY2015, and the related notes thereto. Copies of the above are available for inspection at the registered address of the Company at 9 Joo Koon Circle, Singapore 629041 during normal business hours for the period during which the Offer remains open for acceptance. The audited consolidated financial statements of the Group for FY2015 together with the Independent Auditors' report are also set out in Appendix IV to this Circular.

	Period from 1 October 2014 to 31 December 2015	**Year ended 30 September 2014 (Restated)**	**Year ended 30 September 2013**
	$'000	**$'000**	**$'000**
Continuing Operations			
Revenue	-	-	14,606
Other operating income	-	-	478
Changes in inventories of finished goods and work-in-progress	-	-	(557)
Raw materials and consumables used	-	-	(6,568)
Employee benefits expense	**(73)**	-	(4,254)
Depreciation of property, plant and equipment	-	-	(1,585)
Freight and handling charges	-	-	(646)
Repair and maintenance	-	-	(465)
Operating lease expense	-	-	(1,484)
Sub-contractors costs	-	-	(250)
Utilities	-	-	(964)
Other expenses	**(50)**	-	(1,622)
Results from operating activities	**(123)**	-	(3,311)
Finance costs	**-**	-	(413)
Loss before taxation	**(123)**	-	(3,724)
Tax expense	**-**	-	(7)
Loss for the period / year from continuing operations	**(123)**	-	(3,731)
Discontinued operations			
Loss for the period / year from discontinued operations	**(9,171)**	(3,929)	-
Loss for the period/ year	**(9,294)**	(3,929)	(3,731)
Other comprehensive income after tax			
Items that will not be reclassified subsequently to profit or loss			
(Deficit)/ Surplus on revaluation of leasehold land and buildings (nil tax effect)	**(4,133)**	1,724	4,567
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations (nil tax effect)	**2**	8	(9)

Other comprehensive (loss)/ income for the period/ year, net of tax	**(4,131)**	1,732	4,558
Total comprehensive (loss)/income for the period/ year	**(13,425)**	(2,197)	827
Loss for the period/ year attributable to:			
Owners of the Company			
-Loss from continuing operations, net of tax	**(64)**	-	(3,731)
-Loss from discontinued operations, net of tax	**(9,171)**	(3,929)	-
	(9,235)	(3,929)	(3,731)
Non-controlling Interests			
-Loss from continuing operations, net of tax	**(59)**	-	-
-Loss from discontinued operations, net of tax	**-**	-	-
	(9,294)	(3,929)	(3,731)
Total comprehensive loss attributable to:			
Owners of the Company			
-(Loss)/profit from continuing operations, net of tax	**(64)**	-	827
-Loss from discontinued operations, net of tax	**(13,302)**	(2,197)	-
	(13,366)	(2,197)	827
Non-controlling Interests			
-Loss from continuing operations, net of tax	**(59)**	-	-
-Loss from discontinued operations, net of tax	**-**	-	-
	(13,425)	(2,197)	827
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
Basic and diluted (cents)	**(1.97)**	(2.27)	(2.22)
From continuing operations			
Basic and diluted (cents)	**(0.01)**	-	(2.22)

A summary of the audited consolidated statement of financial position of the Group as at 31 December 2015 is set out below.

The following summary should be read together with the annual report for FY2015, the audited consolidated financial statements of the Group for FY2015, and the related notes thereto. Copies of the above are available for inspection at the registered address of the Company at 9 Joo Koon Circle, Singapore 629041 during normal business hours for the period during which the Offer remains open for acceptance. The audited consolidated financial statements of the Group for FY2015 together with the Independent Auditors' report are also set out in Appendix IV to this Circular.

	31 December 2015 **$'000**
ASSETS	
Non-Current	
Subsidiaries	**-**
Property, plant and equipment	**-**
	-
Current	
Inventories	**-**
Trade and other receivables	**-**
Deposits	**75**
Advances and prepayments	**2,842**
Amounts due from related corporations	**-**
Cash and bank balances	**9,430**
	12,347
Assets directly associated with discontinued operations	**24,338**
	24,338
Total assets	**36,685**

EQUITY	
Share capital	**24,267**
Other equity instruments	**10,916**
Reserves	**(17,732)**
Equity attributable to owners of the Company	**17,451**
Non-controlling interests	**5,821**
Total equity	**23,272**
LIABILITIES	
Non-Current	
Loans and borrowings	**-**
Finance lease liabilities	**-**
Provisions	**-**
	-
LIABILITIES	
Current	
Trade payables	**-**
Other payables and accruals	**449**
Amounts due to directors	**-**
Amounts due to related corporations	**-**
Loans and borrowings	**-**
Finance lease liabilities	**-**
	449
Liabilities directly associated with discontinued operations	**12,964**
	12,964
Total liabilities	**13,413**
Total equity and liabilities	**36,685**

4.2 Material changes in financial position

Save as disclosed in this Circular, the Offer Document and publicly available information on the Company (including but not limited to the annual report of the Company for FY2015 and announcements released by the Company on the SGXNET), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 December 2015, being the date to which the last published audited financial statements of the Company were made up.

4.3 Significant accounting policies

The significant accounting policies of the Group, which are disclosed in note 3 of the audited consolidated financial statements of the Group for FY2015, are reproduced in Appendix IV to this Circular.

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to that contained in the audited financial statements of the Company for FY2013, FY2014 and FY2015), there were no significant accounting policies or any points from the notes to the financial statements of the Company which are of major relevance for the interpretation of the accounts.

4.4 Changes in accounting policies

As at the Latest Practicable Date, save as publicly disclosed, there has been no change in the accounting policies of the Company which will cause the figures in the financial statements of the Company to be not comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1 Interests of, and dealings by, the Group in the Offeror Securities

This is not applicable in the present case as the Offeror is an individual.

5.2 Interests of, and dealings by, the Directors in the Offeror Securities

This is not applicable in the present case as the Offeror is an individual.

5.3 Interests of the Directors in the Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in any of the Securities:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%[(1)(6)]	No. of Shares	%[(1)(6)]	No. of Shares	%[(1)(6)]
Director						
Mr Shi Jiangang	185,000,000	39.53	-[(2)]	-	185,000,000	39.53
Mr Sam Kok Yin	95,252,100	20.35	10,159,000[(3)]	2.17	105,411,100	22.52
Mr Chan Charlie[(4)]	10,988,896	2.35	104,651,359	22.36	115,640,255	24.71
Mdm Ong Kwee Cheng (Dora)[(4)]	19,151,359	4.09	96,488,896	20.62	115,640,255	24.71
Mr Chan Cher Boon	-	-	-	-	-	-
Mr Tham Hock Chee	-	-	-	-	-	-
Mr Francis Yau Thiam Hwa	-	-	-	-	-	-
Substantial Shareholder						
Mr Shi Jiangang	185,000,000	39.53	-[(2)]	-	185,000,000	39.53
Mr Sam Kok Yin	95,252,100	20.35	10,159,000[(3)]	2.17	105,411,100	22.52
Chan & Ong Holdings Pte Ltd[(5)]	85,500,000	18.27	-	-	85,500,000	18.27
Mr Chan Charlie[(4)]	10,988,896	2.35	104,651,359	22.36	115,640,255	24.71
Mdm Ong Kwee Cheng (Dora)[(4)]	19,151,359	4.09	96,488,896	20.62	115,640,255	24.71

Notes:

(1) Calculated based on 468,000,000 Shares in the capital of the Company as at the Latest Practicable Date.

(2) This table excludes Mr Shi Jiangang's deemed interest in 138,750,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 20.45% of the enlarged share capital of the Company, being 678,000,000 Shares, assuming that the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin are exercised.

(3) Mr Sam Kok Yin is deemed interested in 10,159,000 Shares held by his wife, Ms Tan Hui Har. This table excludes Mr Sam Kok Yin's deemed interest in 71,250,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 10.51% of the enlarged share capital of the Company, being 678,000,000 Shares, assuming that the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin are exercised.

(4) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie are deemed to be interested in each other's shareholdings as they are spouses.

(5) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.

(6) Any discrepancies in figures between the amounts listed and their actual values are due to rounding.

5.4 Dealings in the Securities by the Directors

Save as disclosed below, none of the Directors has dealt for value in any of the Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

Name	Date	No. of Shares	Transaction Price Per Share (S$)	Nature of Transaction
Mr Sam Kok Yin	3 March 2016	160,000	Average transaction price of 0.0375 (Highest transaction price did not exceed 0.05)	Open market purchase
	1 March 2016	85,100	0.025	Open market purchase
	5 January 2016	7,000	0.026	Open market purchase

5.5 Interests of the IFA in the Securities

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis do not own or control any of the Securities.

5.6 Dealings in the Securities by the IFA

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis have not dealt for value in any of the Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.7 Directors' Intentions

As at the Latest Practicable Date, Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora) have shareholding interests (both direct and deemed) in 115,640,255 Shares, representing approximately 24.71% of the total number of issued Shares. Each of Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora) have informed the Company that they have undertaken not to accept the Offer in respect of 85,680,000 Shares pursuant to the Irrevocable Undertakings (details of which are set out in paragraph 7 of this Circular and in paragraph 9.1 of the Offer Document), as such they will reject the Offer in respect of 85,680,000 Shares held by them.

Save for Mr Shi Jiangang, Mr Sam Kok Yin, Mr Chan Charlie and Mdm Ong Kwee Cheng (Dora), none of the Directors has any other direct or deemed interest in the Shares.

5.8 Directors' service contracts

As at the Latest Practicable Date:

(a) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries which have more than twelve (12) months to run and which cannot be terminated by the employing company within the next twelve (12) months without paying any compensation; and

(b) there are no such contracts entered into or amended during the period between the start of the six (6) months preceding the Offer Announcement Date and the Latest Practicable Date.

5.9 Arrangements affecting Directors

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit shall be made or given to any Director, or any director of any other corporation which is, by virtue of Section 6 of the Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) save for the making of the Offer by the Offeror and the Irrevocable Undertakings given by the Undertaking Shareholders and save as otherwise disclosed in this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) save for the making of the Offer by the Offeror and the Irrevocable Undertakings given by the Undertaking Shareholders and save as otherwise disclosed in this Circular, none of the Directors has any material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

6. VIEWS OF THE BOARD ON THE OFFEROR'S PLANS FOR THE COMPANY AND ITS EMPLOYEES

The Board is of the view that the Offeror's plans for the Company and its employees as stated in the Offer Document are in line with the Company's position as set out in the Company's announcements released on SGXNET on 30 December 2015 (relating to, *inter alia*, updates on the Company's businesses) and on 14 January 2016 (relating to the sale of machinery and equipment), namely, that the Group shall scale down its printing business by ceasing internal production and in connection therewith, disposing of its production assets, as well as to focus more of its resources and efforts on the chemical business and investment business of the Group.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contract (other than in the ordinary course of business) with interested persons during the period commencing three (3) years prior to the Offer Announcement Date and ending on the Latest Practicable Date.

An "**interested person**" is defined in the Note on Rule 24.6 read with the Note on Rule 23.12 of the Code, as:

(a) a director, chief executive officer, or substantial shareholder of the company;

(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;

(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;

(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;

(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or

(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

Date of Contract	Names of parties	Description	Consideration	Salient terms and conditions
8 May 2014	(1) The Offeror and his concert party (2) The Company	Subscription Agreement relating to the Bonds Issue, and grant of the Option to require the Company to allot and issue an aggregate of up to 210,000,000 Option Shares at the price of S$0.05 per Share to the Offeror and his concert party.	An aggregate principal amount of the Bonds amounting to S$14,000,000, and an aggregate consideration of S$10,500,000 for the Option Shares (payable at the exercise of the Option), payable by the Offeror and his concert party	(a) The aggregate principal amount of the Bonds and the consideration for the Option Shares shall be satisfied wholly in cash. (b) The Option is exercisable during the period of three (3) years commencing on the first anniversary of the date of completion of the Bonds Issue (i.e. 25 September 2015). (c) Completion of the Bonds Issue is conditional upon, *inter alia*, the approval of the shareholders of the Company and the receipt by the Offeror and his concert party of the Irrevocable Undertakings. Please refer to the Company's Circular dated 3 September 2014 and the announcements released by the Company on SGXNET for further details on the Subscription Agreement.

8. MATERIAL LITIGATION

As at the Latest Practicable Date:

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and

(b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

9. GENERAL INFORMATION

(a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

(b) The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors set out in paragraph 8.4 of this Circular, the IFA letter, and all references thereto, in the form and context in which they appear in this Circular.

(c) The Independent Auditors have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their name, the reproduction of the Independent Auditors' report in relation to the audited consolidated financial statements of the Group for

FY2015 (as set out in Appendix IV to this Circular) and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Joo Koon Circle, Singapore 629041 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution of the Company;

(b) the annual reports of the Company for FY2013, FY2014 and FY2015;

(c) the IFA Letter; and

(d) the letters of consent from the IFA and the Independent Auditors as set out in paragraph 9 of Appendix II to this Circular.

APPENDIX III – RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are reproduced in italics below.

(A) RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

"ISSUE OF SHARES

4. Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:

(a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;

(b) no shares shall be issued at a discount except in accordance with the Statutes;

(c) (subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and

(d) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

5. (A) In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class *concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

(B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned Provided Always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the General Meeting, shall be as valid and effectual as a special resolution carried at the General Meeting.

(C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

8. (A) Subject to any direction to the contrary that may be given by the Company in a General Meeting or except as permitted under the Stock Exchange of Singapore Limited listing rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).

(B) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

9. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or

(d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

10. (A) The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

(B) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company shall be cancelled. The amount of the Company's issued share capital which is diminished on cancellation of the shares purchased shall be transferred to the Company's capital redemption reserve.

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.

13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

14. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. The term "market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

17. (A) The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.

(B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.

18. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within ten market days of the closing date of any application for shares (or such other period as may be approved by any Stock Exchange upon which the shares of the Company may be listed) or within fifteen market days after the date of lodgement of a registerable transfer (or such other period as may be approved by any Stock Exchange upon which the shares of the Company may be listed) one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate(s) for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of $2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed. For the purposes of this Article 18, the term "market day" shall mean a day on which the Stock Exchange of Singapore Limited is open for trading in securities.

19. (A) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(B) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of $2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed.

(C) In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.

20. Subject to the provisions of the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any Stock Exchange upon which the Company is listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding $1 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

CALLS ON SHARES

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of *premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*

22. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

24. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

26. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.

FORFEITURE AND LIEN

27. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

28. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

31. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.*

32. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*

33. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*

34. *The residue of the proceeds of such sale pursuant to Article 33 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.*

35. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.*

TRANSFER OF SHARES

36. *All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any Stock Exchange upon which the Company may be listed or any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed Provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.*

37. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine Provided always that such Register shall not be closed for more than thirty days in any year Provided always that the Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.*

38. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law, the listing rules of any Stock Exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any Stock Exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within one month beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:

(a) all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding $2 as the Directors may from time to time require pursuant to Article 41, is paid to the Company in respect thereof;

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.

39. If the Directors refuse to register a transfer of any shares, they shall within one month after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.

40. All instruments of transfer which are registered may be retained by the Company.

41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding $2 as the Directors may from time to time require or prescribe.

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

43. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(B) In the case of the death of a member who is a Depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(C) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

44. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

45. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.

STOCK

46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.

48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted."

*"**RESERVES***

120. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes."*

(B) RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

*"**DIVIDENDS***

121. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.*

122. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*

123. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*

124. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*

125. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*

126. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*

(B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*

(C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.*

127. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*

128. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

129. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors many think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 133, the Directors shall capitalise and apply the amount standing to the credit of the Company's reserve accounts as the Directors may determine, such sum as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

(B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the

contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).

(C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register or (as the case maybe) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.

(D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

(E) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.

130. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 132, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

131. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

132. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

CAPITALISATION OF PROFITS AND RESERVES

133. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit *of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned."*

(C) RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

*"**GENERAL MEETINGS***

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

52. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

(a) declaring dividends;

(b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);

(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

(f) fixing the fees of the Directors proposed to be passed under Article 79.

54. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.

57. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.

58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

61. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the chairman of the meeting; or

(b) not less than two members present in person or by proxy and entitled to vote; or

(c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting and being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right,

Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

64. A poll demanded, on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the company, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.

66. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this *purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*

67. Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

68. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

69. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

70. On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

71. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting Provided that if the member is a Depositor, the Company shall be entitled and bound:

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

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

72. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual, shall be signed by the appointor or his attorney; and

(b) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged

with the instrument of proxy pursuant to Article 73, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made Provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat."

Independent auditor's report to the members of Abundance International Limited (formerly known as Craft Print International Limited)

Report on the financial statements

We have audited the accompanying financial statements of Abundance International Limited (the "Company") (formerly known as Craft Print International Limited) and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 October 2014 to 31 December 2015, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap 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 financial statements and to maintain accountability of assets.

Auditor's responsibility

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

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

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

Independent auditor's report to the members of Abundance International Limited (formerly known as Craft Print International Limited)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company as at 31 December 2015 are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the period ended on that date.

Emphasis of Matter

The Group incurred a net loss of $9,294,000 (year ended 30 September 2014: $3,929,000) and has net operating cash outflows of $6,372,000 (year ended 30 September 2014: $593,000) for the financial period from 1 October 2014 to 31 December 2015; and as at that date, the Group's and the Company's accumulated losses amounted to $29,686,000 (30 September 2014: $20,451,000) and $30,862,000 (30 September 2014: $20,443,000) respectively. The Group had ceased internal production in respect of the Printing Business with effect from 31 December 2015.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. On the basis that

(a) the Group has cash balances of $9,430,000 which is sufficient to support the new line of business with growth potential;
(b) the amounts due to director of $1,090,000 are not repayable in the next 12 months as a director of the Company has given an undertaking not to demand immediate repayment;
(c) the liabilities owing to the banks totalling $2,682,000 will be partially repaid from the disposal of the Company's plant and equipment with a carrying amount of $1,664,000 and from the existing cash balance of the Group;
(d) the possible sale of the Company's leasehold property with a carrying amount of $19,500,000 will provide additional funding to the Group;
(e) subsequent to the reporting date, the Group achieved sales of approximately US$10 million in the new chemical business; and
(f) the Group has prepared a profit and cash flow forecast for the next 12 months after the reporting date indicating that there will be sufficient cash balances taking into account the above factors.

the directors are, therefore, of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as the directors believe that the Group and the Company will be able to generate sufficient operating cash flows. Our opinion is not qualified in respect of this matter.

Independent auditor's report to the members of Abundance International Limited (formerly known as Craft Print International Limited)

Emphasis of Matter (Cont'd)

In furtherance to the proposed new business plans (the "Proposed Business Diversification") as announced by the Group on 2 June 2015, the Company had entered into a joint venture agreement with Mr Jiang Hao in relation to the formation of a new subsidiary company, Orient-Salt Chemicals Pte. Ltd. ("OSC"). OSC's main business is trading of chemical products. Based on the industry outlook obtained from the industry experts, the chemical industry in China relating to chemical products such as acetone and ethanol are expected to be experiencing healthy growth in the coming years. In addition, Mr Jiang Hao has many years of experience in the industry and has the network capability to develop the market in the People's Republic of China ("PRC"). Notwithstanding this, there are significant uncertainties in relation to the profit and cash flow forecast as there is no historical chemical and related trading businesses conducted by the Group. The profit forecast is based on management's assessment and judgment.

The accompanying financial statements do not include any adjustments relating to the realisation and classification of asset amounts that may be necessary if the Group and the Company are unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of these.

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 the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 April 2016

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Statements of financial position
as at 31 December 2015

		The Group			The Company		
	Note	**31 December 2015**	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014 (Restated)	1 October 2013
		$'000	$'000	$'000	**$'000**	$'000	$'000
ASSETS							
Non-Current							
Subsidiaries	5	**-**	-	-	**6,120**	-	44
Property, plant and equipment	8	**-**	24,873	24,933	**-**	24,873	24,918
		-	24,873	24,933	**6,120**	24,873	24,962
Current							
Inventories	10	**-**	3,170	3,547	**-**	3,170	3,547
Trade and other receivables	11	**-**	3,566	3,805	**-**	3,566	3,803
Deposits	12	**75**	127	230	**-**	127	230
Advances and prepayments	13	**2,842**	40	35	**-**	40	35
Amounts due from related corporations	14	**-**	-	414	**-**	-	414
Cash and bank balances	15	**9,430**	14,087	101	**422**	14,084	80
		12,347	20,990	8,132	**422**	20,987	8,109
Assets directly associated with discontinued operations	4	**24,338**	-	-	**22,662**	-	-
		24,338	-	-	**22,662**	-	-
Total assets		**36,685**	45,863	33,065	**29,204**	45,860	33,071
EQUITY							
Share capital	16	**24,267**	21,267	20,267	**24,267**	21,267	20,267
Other equity instruments	17	**10,916**	13,916	-	**10,916**	13,916	-
Reserves	18	**(17,732)**	(4,366)	(2,169)	**(18,910)**	(4,358)	(2,216)
Equity attributable to owners of the Company		**17,451**	30,817	18,098	**16,273**	30,825	18,051
Non-controlling interests		**5,821**	-	-	**-**	-	-
Total equity		**23,272**	30,817	18,098	**16,273**	30,825	18,051
LIABILITIES							
Non-Current							
Loans and borrowings	19	**-**	-	560	**-**	-	560
Finance lease liabilities	20	**-**	12	45	**-**	12	31
Provisions	21	**-**	15	15	**-**	15	15
		-	27	620	**-**	27	606

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Statements of financial position
as at 31 December 2015 (Cont'd)

		The Group			The Company		
	Note	**31 December 2015 $'000**	30 September 2014 (Restated) $'000	1 October 2013 $'000	**31 December 2015 $'000**	30 September 2014 (Restated) $'000	1 October 2013 $'000
LIABILITIES							
Current							
Trade payables	23	**-**	2,224	2,007	**-**	2,224	2,007
Other payables and accruals	24	449	1,601	1,307	431	1,590	1,295
Amounts due to directors	25	**-**	7,035	5,885	**-**	7,035	5,885
Amounts due to related corporations	14	**-**	-	-	**-**	-	85
Loans and borrowings	19	**-**	4,140	5,094	**-**	4,140	5,094
Finance lease liabilities	20	**-**	19	54	**-**	19	48
		449	15,019	14,347	**431**	15,008	14,414
Liabilities directly associated with discontinued operations	4	12,964	**-**	**-**	12,500	**-**	**-**
		12,964	**-**	**-**	**12,500**	**-**	**-**
Total liabilities		**13,413**	15,046	14,967	**12,931**	15,035	15,020
Total equity and liabilities		**36,685**	45,863	33,065	**29,204**	45,860	33,071

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Consolidated statement of comprehensive income

for the financial period from 1 October 2014 to 31 December 2015

	Note	Period from 1 October 2014 To 31 December 2015	Year ended 30 September 2014 (Restated)
		$'000	$'000
Continuing operations			
Employee benefits expense	28	(73)	-
Other expenses	29	(50)	-
Loss before taxation	31	(123)	-
Income tax expense	32	-	-
Loss for the period/year from continuing operations		(123)	-
Discontinued operations			
Loss for the period/year from discontinued operations	4	(9,171)	(3,929)
Loss for the year		(9,294)	(3,929)
Other comprehensive income after tax			
Items that will not be reclassified subsequently to profit or loss			
(Deficit)/Surplus on revaluation of leasehold land and building (net of tax)	18	(4,133)	1,724
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences - foreign operations (nil tax effect)		2	8
Other comprehensive (loss)/income for the period/year, net of tax		(4,131)	1,732
Total comprehensive loss for the period/year		(13,425)	(2,197)
Loss for the period/year attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		(64)	-
- Loss from discontinued operations, net of tax		(9,171)	(3,929)
		(9,235)	(3,929)
Non-controlling interests			
- Loss from continuing operations, net of tax		(59)	-
- Loss from discontinued operations, net of tax		-	-
		(9,294)	(3,929)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Consolidated statement of comprehensive income

for the financial period from 1 October 2014 to 31 December 2015 (Cont'd)

	Note	Period from 1 October 2014 To 31 December 15	Year ended 30 September 2014 (Restated)
		$'000	$'000
Total comprehensive loss attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		(64)	-
- Loss from discontinued operations, net of tax		(13,302)	(2,197)
		(13,366)	(2,197)
Non-controlling interests			
- Loss from continuing operations, net of tax		(59)	-
- Loss from discontinued operations, net of tax		-	-
		(13,425)	(2,197)
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
Basic and diluted (cents)	33	(1.97)	(2.27)
From continuing operations			
Basic and diluted (cents)	33	(0.01)	-

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Consolidated statement of changes in equity

for the financial period from 1 October 2014 to 31 December 2015

The Group	Share capital $'000	Other equity instruments $'000	Translation reserve $'000	Asset revaluation reserve $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
At 1 October 2013	20,267	-	(8)	14,361	(16,522)	-	18,098
Loss for the year	-	-	-	-	(3,929)	-	(3,929)
Other comprehensive income for the year	-	-	8	1,724	-	-	1,732
Total comprehensive loss for the year	-	-	8	1,724	(3,929)	-	(2,197)
Issue of ordinary shares	1,000	-	-	-	-	-	1,000
Issue of other equity instruments	-	13,916	-	-	-	-	13,916
Transactions with owners	1,000	13,916	-	-	-	-	14,916
At 30 September 2014, as restated	21,267	13,916	-	16,085	(20,451)	-	30,817
At 30 September 2014, as previously reported	21,267	13,916	(13)	16,085	(20,409)	-	30,846
Prior year adjustment (Note 41)	-	-	13	-	(42)	-	(29)
At 30 September 2014, as restated	21,267	13,916	-	16,085	(20,451)	-	30,817
At 1 October 2014, as restated	21,267	13,916	-	16,085	(20,451)	-	30,817
Loss for the period	-	-	-	-	(9,235)	(59)	(9,294)
Other comprehensive loss for the period	-	-	2	(4,133)	-	-	(4,131)
Total comprehensive loss for the period	-	-	2	(4,133)	(9,235)	(59)	(13,425)
Proceeds from non-controlling interests	-	-	-	-	-	5,880	5,880
Conversion of other equity instruments	3,000	(3,000)	-	-	-	-	-
Transactions with owners	3,000	(3,000)	-	-	-	5,880	5,880
At 31 December 2015	24,267	10,916	2	11,952	(29,686)	5,821	23,272

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Consolidated statement of cash flows
for the financial period from 1 October 2014 to 31 December 2015

	Note	Period from 1 October 2014 to 31 December 2015 $'000	Year ended 30 September 2014 (Restated) $'000
Cash Flows from Operating Activities			
Loss before taxation			
- Continuing operations		**(123)**	-
- Discontinued operations		**(9,171)**	(3,971)
		(9,294)	(3,971)
Adjustments for:			
Depreciation of property, plant and equipment	8	**1,793**	1,390
Interest expense	30	**598**	372
Impairment loss on assets held-for-sale		**383**	-
Loss on disposal of subsidiary (Note A)		**-**	7
Property, plant and equipment written off	8	**1**	-
Loss on disposal of property, plant and equipment		**-**	322
Operating loss before working capital changes		**(6,519)**	(1,880)
Changes in inventories		**2,296**	377
Changes in trade and other receivables		**1,241**	342
Changes in amounts due from associate (trade)		**-**	414
Changes in prepayments		**(2,842)**	(6)
Changes in trade and other payables		**50**	490
Cash used in operations		**(5,774)**	(263)
Income tax refund		**-**	42
Interest paid		**(598)**	(372)
Net cash used in operating activities		**(6,372)**	(593)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	8	**(36)**	(17)
Proceeds from disposal of property, plant and equipment		**-**	75
Net cash (used in)/generated from investing activities		**(36)**	58
Cash Flows from Financing Activities			
Repayment of trade receivables factoring, net		**(675)**	(294)
(Repayment of)/Proceeds from bills payable, net		**(1,148)**	261
Repayment of term loans		**(560)**	(585)
Repayment of finance lease liabilities		**(20)**	(49)
(Repayment to)/Advances from a director		**(2,653)**	1,177
Proceeds from non-controlling interests		**5,880**	-
Proceeds from ordinary shares issued		**-**	1,000
Proceeds from other equity instrument issued, net		**-**	13,916
Net cash generated from financing activities		**824**	15,426
Net (decrease)/increase in cash and cash equivalents		**(5,584)**	14,891
Effect of changes in currency translation		**2**	(8)
Cash and cash equivalents at beginning of period/year		**14,087**	(796)
Cash and cash equivalents at end of period/year	15	**8,505**	14,087

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries

Consolidated statement of cash flows
for the financial period from 1 October 2014 to 31 December 2015 (Cont'd)

Note A

There was a disposal of subsidiary during the year ended 30 September 2014. The carrying value of assets disposed of and liabilities discharged were as follows:

	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014 (Restated)
	$'000	$'000
Net assets disposed of		
Property, plant and equipment	**-**	14
Prepayments	**-**	1
Cash and bank balances	**-**	6
Other payables and accruals	**-**	5
Finance lease liabilities	**-**	(19)
Net assets disposed	**-**	7
Loss on disposal of subsidiary	**-**	(7)
Cash proceeds from disposal	**-**	-

Note B

The cash and cash equivalent as at 31 December 2015 comprises of:

	Note	**31 December 2015**
		$'000
Cash and cash equivalents		
Cash and bank balances	15	**9,430**
Bank overdraft		**(925)**
		8,505

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Abundance International Limited
(formerly known as Craft Print International Limited)
and its subsidiaries
Notes to the financial statements for the financial period from 1 October 2014 to 31 December 2015

Notes to the financial statements

for the financial period from 1 October 2014 to 31 December 2015

1 General information

The financial statements of the Company and of the Group for the period from 1 October 2014 to 31 December 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is listed on the Catalist which is a market on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore.

The registered office is located at 9 Joo Koon Circle, Singapore 629041.

With effect from 20 August 2015, following the Extraordinary General Meeting of the Company held on 19 August 2015, the name of the Company was changed from "Craft Print International Limited" to "Abundance International Limited".

The principal activities of the Company are those of commercial printing and investment holding. The principal activities of the subsidiaries are primarily engaged in related printing services and trading of chemical products.

As announced by the Group on 2 June 2015, the Group will be diversifying its business into chemical manufacturing, trading, storage and/or the manufacture or trading of equipment, accessories, consumables or peripherals used in the chemical industry and other related business; and also investing in companies and other entities through equity, securities and other instruments such as bonds or convertible bonds, and investing in quoted securities and instruments such as, without limitation, funds and bonds (the "Proposed Business Diversification").

2 Going concern

The Group incurred a net loss of $9,294,000 (year ended 30 September 2014: $3,929,000) and has net operating cash outflows of $6,372,000 (year ended 30 September 2014: $593,000) for the financial period from 1 October 2014 to 31 December 2015; and as at that date, the Group's and the Company's accumulated losses amounted to $29,686,000 (30 September 2014: $20,451,000) and $30,862,000 (30 September 2014: $20,443,000) respectively. The Group had ceased internal production in respect of the Printing Business with effect from 31 December 2015.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. On the basis that:

(a) the Group has cash balances of $9,430,000 which is sufficient to support the new line of business with growth potential;
(b) the amounts due to director of $1,090,000 are not repayable in the next 12 months as a director of the Company has given an undertaking not to demand immediate repayment;
(c) the liabilities owing to the banks totalling $2,682,000 will be partially repaid from the disposal of the Company's plant and equipment with a carrying amount of $1,664,000 and from the existing cash balance of the Group;

Abundance International Limited
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Notes to the financial statements for the financial period from 1 October 2014 to 31 December 2015

2 Going concern (Cont'd)

(d) the possible sale of the Company's leasehold property with a carrying amount of $19,500,000 will provide additional funding to the Group;
(e) Subsequent to the reporting date, the Group achieved sales of approximately US$10 million in the new chemical business; and
(f) the Group has prepared a profit and cash flow forecast for the next 12 months after the reporting date indicating that there will be sufficient cash balances taking into account the above factors.

the directors are, therefore, of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as the directors believe that the Group and the Company will be able to generate sufficient operating cash flows.

In furtherance to the proposed new business plans (the "Proposed Business Diversification") as announced by the Group on 2 June 2015, the Company had entered into a joint venture agreement with Mr Jiang Hao in relation to the formation of a new subsidiary company, Orient-Salt Chemicals Pte. Ltd. ("OSC"). OSC's main business is trading of chemical products. Mr Jiang Hao has many years of experience in the chemical distribution industry and an extensive sales net in the People's Republic of China ("PRC"). Based on the industry outlook obtained from the industry experts, the chemical industry in China relating to chemical products such as acetone and ethanol are expected to be experiencing healthy growth in the coming years. Notwithstanding this, there are significant uncertainties in relation to the profit and cash flow forecast as there is no historical chemical and related trading businesses conducted by the Group. The profit forecast is based on management's assessment and judgment.

The Group and the Company have inventories with a carrying value of $874,000 (30 September 2014: $3,170,000) at the reporting date. As the Group had decided to cease internal production in respect of the Printing Business during the current financial period, any uncertainty over the realisable value of the inventories for sale was mitigated by determining the recoverability of inventories based on quotations obtained from suppliers.

The accompanying financial statements do not include any adjustments relating to the realisation and classification of asset amounts that may be necessary if the Group and the Company are unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of these.

3(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"), including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

Abundance International Limited
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and its subsidiaries
Notes to the financial statements for the financial period from 1 October 2014 to 31 December 2015

3(a) Basis of preparation (Cont'd)

Change of financial year end
During the financial period, the Company changed its financial year end from 30 September to 31 December and accordingly, the financial statements for the current period will cover a period of 15 months from 1 October 2014 to 31 December 2015, whereas the comparative period covered a period of 12 months for the financial year ended 30 September 2014.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant accounting estimates and judgements
The preparation of the financial statements in accordance with this basis of preparation requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying the Group's accounting policies and key sources of estimation uncertainty are described below:

Significant judgements in applying accounting policies

Income tax
Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's and the Company's deferred tax liabilities at the reporting date were $2,448,000 (30 September 2014: $Nil).

Determination of functional currency
These financial statements are presented in SGD, which is the functional currency of the Company.

Determination of functional currency involves significant judgment. The functional currency of the Company is principally determined by the primary economic environment in which it operates.

The Company reconsiders its functional currency if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

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3(a) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies (cont'd)

Investment in Orient-Salt Chemicals Pte. Ltd.
Note 5 describes that Orient-Salt Chemicals Pte. Ltd. ("OSC") is a subsidiary newly incorporated by the Group. The Group owns 51% interest in OSC. The Group has assessed whether or not it controls an investee based on the facts and circumstances indicating that the Group has all of the following:

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

As at 31 December 2015, the Group has control over the investee, OSC, by virtue that the Company has appointed two out of the three directors in OSC.

Uncertainty over the exercise of the Put and Call Options
The Company has entered into an agreement with a third party ("Jiang Hao") to incorporate a new subsidiary, OSC, during the current financial period ended 31 December 2015. In the agreement, the Company and Jiang Hao agreed to grant each other put and call options ("Put and Call Options") to issue specified new shares in the Company to Jiang Hao and for Jiang Hao to transfer a specified number of his shares in OSC to the Company. The Put and Call Options are exercisable dependent on the achievability of the agreed profits after tax of OSC in 2016, 2017 and 2018. The fair value of the Put and Call Options is determined based on the probability of the achievability of future profits of OSC which is uncertain. Judgement is required to ascertain appropriateness of the assumptions made on valuation of the Put and Call Options in deriving the fair value. The events leading to the outcome of the effect on the valuation may have possible impact on the changes to the Company's ownership in the subsidiary (OSC).

Fair value of the call option
The Call Option was granted together with the Convertible Bonds in connection with a fund raising exercise for the Company, and any proceeds will be used for the new business(es) of the Group. Due to the significant uncertainties over the new business (including the viability and sustainability of the new business), the probabilities of the various estimates (in relation to the valuation of the call option) within the range cannot be reasonably assessed and used in estimating the fair value. Hence, the call option is deemed to have approximately nil value.

Valuation of leasehold land and building
The Group's leasehold land and building is stated at estimated fair value based on the valuation performed by an independent professional valuer who has adopted the Direct Comparative Method and Income Approach to value the leasehold land and building. The Direct Comparative Method takes into consideration the recent sales of comparable properties around and within the location of the leasehold land and building and makes appropriate adjustments for differences such as tenure, location, condition, floor area, prevailing market conditions and all other relevant factors affecting their values. The carrying value of the Group's and the Company's leasehold land and building at the reporting date amounted to $19,500,000 (30 September 2014: $22,000,000).

In relying on the valuation report, management has exercised its judgment and is satisfied that the method of valuation is reflective of current market conditions and the estimates used are appropriate.

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3(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of property, plant and equipment (Note 8)
Property, plant and equipment are depreciated on a straight- line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, and therefore future depreciation charges could be revised. If depreciation on property, plant and equipment increase/decreases by 10% (30 September 2014: 10%) by management, the Group's loss for the period will increase/decrease by approximately $179,000 (30 September 2014: $139,000).

Impairment of non-financial assets (Note 5 and 8)
Plant and equipment (excluding leasehold property) and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Determining whether plant and equipment (excluding leasehold property) and investment in subsidiaries (the "Assets") are impaired requires an estimation of the recoverable amount of the Assets. Fair value less cost of disposal ("FVLCD") is applied in determination of the recoverable amount of the Assets. The FVLCD calculation requires the Group to estimate the fair value of the net assets with an appropriate guideline public company price-to-book ratio in order to calculate the recoverable amount. Management has evaluated the recoverability of the Assets based on such estimates.

A decrease of 5% (30 September 2014: 5%) in the value-in-use of the Group's and Company's property, plant and equipment and investment in subsidiaries would have increased the Group's and Company's loss by $1,052,000 (30 September 2014: $1,244,000) and $1,358,000 (30 September 2014: $1,244,000).

Impairment of loans and receivables (Note 11, 12 and 14)
Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables (including amounts due from associate). Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible.

A significant degree of judgment is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. If the present value of estimated future cash flows decreased by 10% from management's estimates, the Group's and Company's allowance for impairment will increase by $245,000 (30 September 2014: $369,000) and $70,000 (30 September 2014: $369,000) respectively.

Carrying value of inventories (Note 10)
In determining the net realisable value of the Group's inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to realise as estimated by management. These estimates take into consideration the fluctuations of selling prices or cost or any inventories on hand that may not be realised. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the write down of inventories to net realisable values of the inventory increase/decrease by 10% from management's estimates, the Group's and the Company's loss will increase/decrease by $87,000 (30 September 2014: $317,000).

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3(b) Interpretations and amendments to published standards effective in 2015

On 1 October 2014, the Group adopted the amended FRSs that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group:

Reference	Description
Amendments to FRS 19	Defined Benefit Plan: Employee Contributions
Improvements to FRSs (January 2014)	
FRS 24	Related Party Disclosures
FRS 108	Operating Segments

The adoption of these standards did not have any material impact on the financial performance or position of the Group and the Company in the period of their initial adoption except for the following:

Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures
Improvements to FRSs (January 2014) FRS 24 Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The improvements to FRSs (January 2015) FRS 24 Related Party Disclosures are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when implemented in the current year.

Improvements to FRS (January 2014) FRS 108 Operating Segments
The Improvements to FRSs (January 2014) FRS 108 Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. The improvements to FRSs (January 2014) FRS 108 Operating Segments are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when implemented in the current year.

3(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Improvements to FRSs (November 2014)		
- FRS 19	Employee Benefits	1 January 2016
- FRS 107	Financial Instruments: Disclosures	1 January 2016
FRS 1	Amendments to FRS 1: Presentation of Financial Statements	1 January 2016
FRS 115	Revenue Contract from Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 7	Amendments to FRS 7: Statement of Cash Flows	1 January 2017

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3(c) FRS not yet effective (Cont'd)

The directors of the Company do not anticipate that the adoption of the above new or amendments to FRSs in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

FRS 115 Revenue Contracts from Customers
FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

FRS 109 Financial Instruments
FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:
- Classification and measurement;
- A single, forward-looking "expected loss" impairment model and
- A substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

3(d) Summary of significant accounting policies

Consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;

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3(d) Summary of significant accounting policies (Cont'd)

Consolidation (cont'd)

- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

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

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

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and 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 interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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3(d) Summary of significant accounting policies (Cont'd)

Consolidation (cont'd)

Transactions with non-controlling interest
Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and 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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Property, plant and equipment and depreciation
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and buildings	Over remaining term of lease
Machinery and equipment	5 - 17 years
Motor vehicles	3 - 10 years
Furniture, fittings and office equipment	3 - 10 years
Renovations	5 - 10 years
Other assets	8 - 10 years

Other assets relate to air conditioners, fire extinguishers, stereo sets, canteen equipment and refrigerators.

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 of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that 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 cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

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3(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (cont'd)
Leasehold land and building is initially recognised at cost and subsequently stated at their revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out with sufficient regularity such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited directly to revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings when the asset is de-recognised.

Investment in subsidiaries
In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investment in associate
An associate is an entity which the Group has the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group accounts for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of operations of the associate. Distributions received from associate reduce the carrying amount of the investment. When there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gain and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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3(d) Summary of significant accounting policies (Cont'd)

Investment in associate (cont'd)
After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Intangible assets
Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

<u>Club memberships</u>
Club membership were acquired separately and are measured on initial recognition of cost. The cost of club membership is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

Club memberships are classified as "Intangible Assets" with indefinite useful lives as club memberships entitle the member to enjoy the club facilities for lifetime. Since it is with indefinite useful lives, they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of the club memberships with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable.

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3(d) Summary of significant accounting policies (Cont'd)

Inventories
Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Work-in-progress comprise all direct and incremental cost incurred in the production of printed products including personnel and related costs.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial assets
Financial assets, other than hedging instruments, can be divided into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

At the reporting date, the Group and the Company do not hold any available-for-sale financial assets, financial assets at fair value through profit or loss or held-to-maturity investments.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

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3(d) Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

Loans and receivables (cont'd)
They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

Loans and receivables comprise trade and other receivables and deposits, excluding advances to suppliers and prepayments.

Trade receivables that are factored to financial institutions without recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions are recorded as borrowings if there is a draw down made by the Group.

Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

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

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:
a) represents a separate major line of business or geographical area of operations; or
b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
c) is a subsidiary acquired exclusively with a view to resale.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of the bank overdraft which is repayable on demand and which form an integral part of cash management.

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

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3(d) Summary of significant accounting policies (Cont'd)

Other equity instruments classified as equity
Other equity instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Financial liabilities
The Group's financial liabilities include trade payables, other payables, loans and borrowings, finance lease liabilities and amounts due to directors.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, an only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings and non-convertible bonds using the effective interest method.

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

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

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

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3(d) Summary of significant accounting policies (Cont'd)

Provisions
Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

A provision for restructuring is recognised for the expected costs associate with the restoration of leasehold building. The provision is based on the best estimate of the direct expenditures to be incurred which are both necessarily entailed by the restoration and not associated with the on-going activities of the Group.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases
Where the Group and the Company are the lessees

Finance leases
Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

Operating leases
Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Income taxes
Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

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3(d) Summary of significant accounting policies (Cont'd)

Income taxes (cont'd)
A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:
(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits
Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Pension obligations
The Group and the Company contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

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3(d) Summary of significant accounting policies (Cont'd)

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Related parties
A related party is defined as follows:

a. A person or a close member of that person's family is related to the Group if that person:
   (i) has control or joint control over the Group;
   (ii) has significant influence over the Group; or
   (iii) is a member of the key management personnel of the Group.

b. An entity is related to the Group if any of the following conditions applies:
   (i) the entity and the Group 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 ventures of the same third party;
   (iv) one entity is a joint venture 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 Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
   (vi) the entity is controlled or jointly controlled by a person identified in (a); or
   (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).

Impairment of non-financial assets
The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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3(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (cont'd)
An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,
- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Revenue recognition
Revenue from the rendering of services is measured at the fair value of the consideration received or receivable, net of goods and services taxes or other sales taxes and trade discounts. Revenue from the provision of services is recognised in the period in which the services are rendered.

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

Operating segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

Government grant
Government grants related to income are grants other than those related to assets. It is recognised as part of other operating income on a systematic basis over the periods on a receipt basis.

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

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3(d) Summary of significant accounting policies (Cont'd)

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

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

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

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

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

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

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4 Discontinued operation and disposal group classified as held for sale

The Group announced on 30 December 2015 its intention to cease internal production in respect of the Printing Business by 31 December 2015. Any outstanding and new sales orders that have been or may be received in respect of the Printing Business will be outsourced to other printers to produce on behalf of the Group.

The printing operations represented a major line of business for the Group. Subsequent to the scaling down of the Printing Business, the Group will focus more of its resources and efforts on the Chemical Business and Investment Business of the Group. Based on the requirement of FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the printing business will be treated as discontinued operations for the year ended 31 December 2015. That is, the income and expenses of the Printing Business are reported separately from the continuing operations of the Group.

4.1 Details of the assets and liabilities classified as discontinued operations are as follows:

	Note	The Group 31 December 2015 $'000	The Company 31 December 2015 $'000
ASSETS			
Non-Current			
Associate	6	-	-
Investment	7	-	-
Property, plant and equipment	8	21,047	21,047
Intangible assets	9	-	-
		21,047	21,047
Current			
Inventories	10	874	874
Trade and other receivables	11	2,317	641
Deposits	12	60	60
Prepayments	13	40	40
Amounts due from related corporations	14	-	-
		3,291	1,615
Total assets		24,338	22,662
LIABILITIES			
Non-Current			
Finance lease liabilities	20	6	6
Provisions	21	15	15
Deferred tax liabilities	22	2,448	2,448
		2,469	2,469
Current			
Trade payables	23	1,253	1,191
Other payables and accruals	24	2,173	2,110
Amounts due to directors	25	4,382	4,382
Amounts due to related corporations	14	-	-
Loans and borrowings	19	2,682	2,343
Finance lease liabilities	20	5	5
		10,495	10,031
Total liabilities		12,964	12,500

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4 Discontinued operation and disposal group classified as held for sale (Cont'd)

4.2 The results of the discontinued operations of the disposal group are as follows:

	Note	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000
Revenue	26	**13,414**	13,299
Other operating income	27	**393**	374
Changes in inventories of finished goods and work-in-progress		**(1,056)**	204
Raw materials and consumables used		**(7,243)**	(6,214)
Employee benefits expense	28	**(6,287)**	(4,235)
Depreciation of property, plant and equipment	8	**(1,793)**	(1,390)
Freight and handling charges		**(517)**	(563)
Repair and maintenance		**(434)**	(496)
Operating lease expense		**(1,303)**	(1,134)
Sub-contractors costs		**(380)**	(306)
Utilities		**(800)**	(863)
Other expenses	29	**(2,567)**	(2,275)
Results from operating activities		**(8,573)**	(3,599)
Finance costs	30	**(598)**	(372)
Loss before taxation	31	**(9,171)**	(3,971)
Tax expense	32	**-**	42
Loss for the period/year		**(9,171)**	(3,929)

4.3 The impact of the discontinued operations on the cash flows of the Group was as follows:

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000
Operating cash outflows	**(3,781)**	(593)
Investing cash (outflows)/inflows	**(36)**	58
Financing cash (outflows)/inflows	**(5,056)**	15,426
Total cash (outflows)/inflows	**(8,873)**	14,891

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5 Subsidiaries

The Company	**31 December 2015 $'000**	30 September 2014 (Restated) $'000	1 October 2013 $'000
Cost of investments			
Unquoted equity shares, at cost			
At beginning of period/year	**30**	88	88
Addition	**6,120**	-	-
Disposal	**-**	(58)	-
At end of period/year	**6,150**	30	88
Less: Impairment losses			
At beginning of period/year	**(30)**	(44)	(44)
Disposal	**-**	14	-
At end of period/year	**(30)**	(30)	(44)
Net investment in subsidiaries	**6,120**	-	44

The subsidiaries are:

Name	Country of incorporation	Ownership interest **31 December 2015 %**	Ownership interest 30 September 2014 %	Principal activities
Held by the Company				
Craft Print Pte Ltd (1) (formerly known as Astra Print Pte. Ltd.)	Singapore	**100**	100	Commercial printing
Printing Farm Pte. Ltd. (1)	Singapore	**100**	100	Commercial printing
Orient-Salt Chemicals Pte. Ltd. (1)	Singapore	**51**	-	Chemical business
Craft Print International Pty. Ltd. (2)	Australia	**-**	-	Marketing of printing services
Held through Orient-Salt Chemicals Pte. Ltd.				
Dong Yan Chemical (Shanghai) Co., Ltd. (3)	People's Republic China	**100**	-	Chemical business
Touen Japan Co., Ltd. (3)	Japan	**100**	-	Chemical business

(1) Audited by Foo Kon Tan LLP
(2) Not required to be audited by law of country of incorporation
(3) Audited by Foo Kon Tan LLP for consolidation purposes under FRS reporting

In the current period, the Company had newly incorporated a subsidiary, Orient-Salt Chemicals Pte. Ltd. ("OSC"). The cost of investment recorded for the current financial period amounted to $6,120,000. Subsequent to the incorporation of OSC, Dong Yan Chemical (Shanghai) Co., Ltd. and Touen Japan Co., Ltd. were also incorporated during the financial period and were held through Orient-Salt Chemicals Pte. Ltd.

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5 Subsidiaries (Cont'd)

Incorporation of new subsidiary
On 1 June 2015, the Company entered into an agreement with an external party, Mr. Jiang Hao, in relation to the incorporation of OSC, the key terms are summarised as follows:

a) The Company is entitled to appoint two out of three directors of OSC.

b) Under the agreement, the Company and Jiang Hao further agree to grant to each other the following put and call options (the "Put and Call Options") in relation to an aggregate of 69,176,472 new Shares in the Company (the "New Shares"):

i) subject to the audited profit after tax of OSC for its first financial year from 1 January 2016 to 31 December 2016 being more than RMB5 million (or its equivalent in foreign currency at the date of the year end), the Company shall have the right to require Jiang Hao to subscribe for, and Jiang Hao shall have the right to require the Company to issue, 23,058,824 new Shares at an issue price of S$0.085 per share (the "Issue Price") to be allotted to such parties as Mr Jiang Hao may direct, in consideration for which Mr Jiang Hao shall transfer 1,960,000 shares in OSC to the Company;

ii) subject to the audited profit after tax of OSC for its first and second financial years from 1 January 2016 to 31 December 2017 being more than RMB10 million (or its equivalent in foreign currency at the date of the year end), the Company shall have the right to require Jiang Hao to subscribe for, and Mr Jiang Hao shall have the right to require the Company to issue, 23,058,824 new Shares at the Issue Price to be allotted to such parties as Mr Jiang Hao may direct, in consideration for which Mr Jiang Hao shall transfer 1,960,000 shares in OSC to the Company; and

iii) subject to the audited profit after tax of OSC for its first, second and third financial years from 1 January 2016 to 31 December 2018 being more than RMB20 million (or its equivalent in foreign currency at the date of the year end), the Company shall have the right to require Jiang Hao to subscribe for and Jiang Hao shall have the right to require the Company to issue 23,058,824 new Shares at the Issue Price to be allotted to such parties as Jiang Hao may direct, in consideration for which Jiang Hao shall transfer 1,960,000 shares in OSC to the Company.

Put and Call Options

	Option shares granted during financial period	Aggregate option shares granted since commencement to end of financial period	Aggregate option shares exercised since commencement to end of financial period	Aggregate option shares outstanding as at end of financial period
	Number of Option Shares			
Jiang Hao	69,176,472	69,176,472	-	69,176,472

The Put and Call Options are exercisable subject to the terms and conditions under the joint venture agreement.

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5 Subsidiaries (Cont'd)

The Group's subsidiary, Craft Print International Pty. Ltd., had been deregistered from the companies registry in Australia since December 2013. Refer to Note 41 for further details.

There was no impairment loss recognised or reversed on the Company's cost of investment in subsidiaries during the financial period ended 31 December 2015 and year ended 30 September 2014.

Details of non-wholly owned subsidiaries that have material non-controlling interests in Orient-Salt Chemicals Pte. Ltd.

The table below shows details of a non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated loss of non-controlling interests		Dividends paid to non-controlling interests	
		31 December 2015 %	30 September 2014 %	**31 December 2015 $'000**	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Orient-Salt Chemicals Pte. Ltd.	Singapore	**49**	-	**(59)**	-	**(59)**	-	**-**	-

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5 Subsidiaries (Cont'd)

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

	31 December 2015 $'000	30 September 2014 $'000
Summarised balance sheet		
Current assets	**11,898**	-
Current liabilities	**(18)**	-
	11,880	-
Statement of comprehensive income		
Revenue	**-**	-
Expenses	**(123)**	-
Loss for the period/year	**(123)**	-
Loss attributable to owners of the Company	**(64)**	-
Loss attributable to the non-controlling interests	**(59)**	-
Loss for the period/year	**(123)**	-
Other comprehensive income attributable to owner of the Company	**2**	-
Other comprehensive income attributable to the non-controlling interests	**-**	-
Other comprehensive income for the period/year	**2**	-
Total comprehensive loss attributable to owner of the Company	**(62)**	-
Total comprehensive loss attributable to the non-controlling interests	**(59)**	-
Total comprehensive loss for the period/year	**(121)**	-
Other summarised information		
Net cash outflow from operating activities	**(3,024)**	-
Net cash inflow from investing activities	**-**	-
Net cash inflow from financing activities	**12,000**	-
Net cash inflow	**8,976**	-

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6 Associate

The Group's investment in associate is as follows:

	31 December 2015	30 September 2014
The Group and The Company	**$'000**	$'000
Discontinued operations (Note 4)		
Cost of investment		
Unquoted equity shares, at cost		
At beginning of period/year	**30**	30
Reclassification to investment (Note 7)	**(30)**	-
At end of period/year	**-**	30
Less: Impairment losses		
At beginning of period/year	**(30)**	(30)
Reclassification to investment (Note 7)	**30**	-
At end of period/year	**-**	(30)
Net investment in associate	**-**	-

Details of the associate are:

Name	Country of incorporation	Ownership interest		Principal activities
		31 December 2015 %	30 September 2014 %	
Beaumont Publishing Pte Ltd	Singapore	**-**	40	Commercial printing and publishing

During the current period ended 31 December 2015, the management has reassessed and concluded that they do not have significant influence over the associate. Accordingly, based on requirements of FRS 28 – Investments in Associates and Joint Ventures ("FRS 28"), if the retained interest in the former associate is a financial asset, the entity shall measure the retained interest at fair value. Hence, management derecognised its investment in the associate and recognised it as other investment, as disclosed in Note 7.

The financial information of the associate for the financial year ended 30 September 2014, which is not adjusted for the proportion of ownership interest held by the Group, is as follows:

	30 September 2014 $'000 (Note 1)
- Assets	**73**
- Liabilities	**3,567**
- Revenue	**578**
- Net loss for the year	**(838)**

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6 Associate (Cont'd)

For the financial year ended 30 September 2014, the Group had not recognised its share of losses of the associate amounting to $335,000 because the Group's cumulative share of losses exceeded the carrying amount of investment in the associate and the Group has no obligation in respect of those losses. At the reporting date, the Group's cumulative unrecognised losses in the associate was $2,250,000.

Note 1: As at 30 September 2014, the audited financial statements of the associate were not available and it was practically not possible for the Group to disclose the financial information required under FRS 28, Investments in Associates and Joint Ventures. Accordingly, the financial information prevailing as at 30 September 2013 was been presented as at 30 September 2014.

7 Investment

As described in Note 6, the investment was an investment in an associate, namely Beaumont Publishing Pte Ltd, previously held by the Group, for which the Group has lost control. The cost of investment in the unquoted shares are $30,000 (30 September 2014: $30,000) at the reporting date, which has been fully written down since prior years, and hence is immaterial to the management.

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8 Property, plant and equipment

The Group	Leasehold land and buildings $'000	Machinery and equipment $'000	Motor vehicles $'000	Furniture, fittings and office equipment $'000	Renovations $'000	Other assets $'000	Total $'000
Cost or valuation							
At 1 October 2013	21,000	18,975	961	1,301	770	598	43,605
Additions	-	13	-	4	-	-	17
Disposals	-	(1,800)	-	-	-	-	(1,800)
Disposal of a subsidiary	-	-	(37)	(2)	-	-	(39)
Elimination of accumulated depreciation on revaluation	(724)	-	-	-	-	-	(724)
Revaluation surplus (Note 18)	1,724	-	-	-	-	-	1,724
At 30 September 2014 (Restated)	22,000	17,188	924	1,303	770	598	42,783
Additions	**-**	**36**	**-**	**-**	**-**	**-**	**36**
Written off	**-**	**(444)**	**-**	**-**	**-**	**-**	**(444)**
Elimination of accumulated depreciation on revaluation	**(1,685)**	**-**	**-**	**-**	**-**	**-**	**(1,685)**
Revaluation surplus (Note 18)	**(815)**	**-**	**-**	**-**	**-**	**-**	**(815)**
Reclassification to discontinued operations (Note 4)	**(19,500)**	**(16,780)**	**(924)**	**(1,303)**	**(770)**	**(598)**	**(39,875)**
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Representing:							
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valuation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**	**-**

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8 Property, plant and equipment (Cont'd)

The Group	Leasehold land and buildings $'000	Machinery and equipment $'000	Motor vehicles $'000	Furniture, fittings and office equipment $'000	Renovations $'000	Other assets $'000	Total $'000
Accumulated depreciation and impairment loss							
At 1 October 2013	146	15,455	822	976	695	578	18,672
Depreciation for the year	578	678	58	59	11	6	1,390
Disposals	-	(1,403)	-	-	-	-	(1,403)
Disposal of a subsidiary	-	-	(23)	(2)	-	-	(25)
Elimination of accumulated depreciation on revaluation	(724)	-	-	-	-	-	(724)
At 30 September 2014 (Restated)	-	14,730	857	1,033	706	584	17,910
Depreciation for the period	**815**	**829**	**67**	**63**	**13**	**6**	**1,793**
Written off	**-**	**(443)**	**-**	**-**	**-**	**-**	**(443)**
Elimination of accumulated depreciation on revaluation	**(815)**	**-**	**-**	**-**	**-**	**-**	**(815)**
Impairment loss	**-**	**383**	**-**	**-**	**-**	**-**	**383**
Reclassification to discontinued operations (Note 4)	**-**	**(15,499)**	**(924)**	**(1,096)**	**(719)**	**(590)**	**(18,828)**
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value							
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 September 2014 (Restated)	22,000	2,458	67	270	64	14	24,873

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8 Property, plant and equipment (Cont'd)

The Company	Leasehold land and buildings $'000	Machinery and equipment $'000	Motor vehicles $'000	Furniture, fittings and office equipment $'000	Renovations $'000	Other assets $'000	Total $'000
Cost or valuation							
At 1 October 2013	21,000	18,560	924	1,299	770	598	43,151
Additions	-	13	-	4	-	-	17
Disposals	-	(1,800)	-	-	-	-	(1,800)
Elimination of accumulated depreciation on revaluation	(724)	-	-	-	-	-	(724)
Revaluation surplus (Note 18)	1,724	-	-	-	-	-	1,724
At 30 September 2014	22,000	16,773	924	1,303	770	598	42,368
Additions	**-**	**36**	**-**	**-**	**-**	**-**	**36**
Written off	**-**	**(444)**	**-**	**-**	**-**	**-**	**(444)**
Elimination of accumulated depreciation on revaluation	**(1,685)**	**-**	**-**	**-**	**-**	**-**	**(1,685)**
Revaluation surplus (Note 18)	**(815)**	**-**	**-**	**-**	**-**	**-**	**(815)**
Reclassification to discontinued operations (Note 4)	**(19,500)**	**(16,365)**	**(924)**	**(1,303)**	**(770)**	**(598)**	**(39,460)**
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Representing:							
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Valuation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**	**-**

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8 Property, plant and equipment (Cont'd)

The Company	Leasehold land and buildings $'000	Machinery and equipment $'000	Motor vehicles $'000	Furniture, fittings and office equipment $'000	Renovations $'000	Other assets $'000	Total $'000
Accumulated depreciation and impairment loss							
At 1 October 2013	146	15,040	799	974	695	578	18,232
Depreciation for the year	578	678	58	59	11	6	1,390
Disposals	-	(1,403)	-	-	-	-	(1,403)
Elimination of accumulated depreciation on revaluation	(724)	-	-	-	-	-	(724)
At 30 September 2014	-	14,315	857	1,033	706	584	17,495
Depreciation for the period	**815**	**829**	**67**	**63**	**13**	**6**	**1,793**
Written off	**-**	**(443)**	**-**	**-**	**-**	**-**	**(443)**
Elimination of accumulated depreciation on revaluation	**(815)**	**-**	**-**	**-**	**-**	**-**	**(815)**
Impairment loss	**-**	**383**	**-**	**-**	**-**	**-**	**383**
Reclassification to discontinued operations (Note 4)	**-**	**(15,084)**	**(924)**	**(1,096)**	**(719)**	**(590)**	**(18,413)**
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value							
At 31 December 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 September 2014	22,000	2,458	67	270	64	14	24,873

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8 Property, plant and equipment (Cont'd)

At the reporting date, machinery, equipment and motor vehicles of the Group with total net carrying amounts of approximately $Nil (30 September 2014: $67,000) were acquired under finance leases (Note 20).

At the reporting date, leasehold land and building of the Group and the Company with total net carrying amount of approximately $19,500,000 (30 September 2014: $22,000,000) was pledged to banks for certain loan facilities granted to the Group as disclosed in Note 19.

At the reporting date, motor vehicles of the Group and the Company with total net carrying amounts of approximately $Nil (30 September 2014: $60,000) were held in trust by two directors.

Leasehold land and building is stated at fair value, which has been determined based on a valuation dated 31 December 2015. The fair value of leasehold land and building is determined by an independent firm of professional valuer who have appropriate recognised professional qualification and recent experience in the location and category of the leasehold land and building being valued.

The valuation is based on Direct Comparison Method and Income Approach in arriving at the fair value of the properties. The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the leasehold land and building. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

If the leasehold land and building stated at valuation were included in the financial statements using the cost model, the net carrying amount would be:

The Group and The Company	**31 December 2015 $'000**	30 September 2014 $'000
Leasehold land and building	**2,358**	2,948

Details of property at the reporting date are as follows:

The Group and the Company

Description of property	**Tenure**	**Unexpired lease term (year)**	**Existing use**	**Gross floor area (sq. metres)**
9 Joo Koon Circle, Singapore 629041	Leasehold*	4	Industrial and office	8,842

* The lease will expire in October 2019 but has an option to renew for a 30 year period.

<u>Assets held-for-sale</u>

As at the end of the current financial period, the Group reclassified machineries and equipment with a carrying amount of $1,664,000 to assets held-for-sale as the Group had contracted with a third party after 31 December 2015 for the sale of the machineries and equipment. An impairment loss on assets held-for-sale of $383,000 (30 September 2014: $Nil) was recognised during the current financial period as the proceeds from the contracted sale were lesser than the carrying amount of the machineries and equipment.

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8 Property, plant and equipment (Cont'd)

The Group and The Company	**31 December 2015 $'000**	30 September 2014 $'000
Assets held-for-sale	**1,664**	-
Less: Impairment loss	**(383)**	-
Reclassification to discontinued operations (Note 4)	**(1,281)**	-
	-	-

9 Intangible assets

The Group and The Company	**31 December 2015 $'000**	30 September 2014 $'000
Discontinued operations (Note 4)		
Club memberships, at cost		
At beginning and end of period/year	**178**	178
Less: Impairment losses		
At beginning and end of period/year	**(178)**	(178)
Net intangible asset	**-**	-

10 Inventories

The Group and The Company	**31 December 2015 $'000**	30 September 2014 $'000
Raw materials and consumables	**874**	2,115
Work-in-progress	**-**	485
Finished goods	**-**	570
	874	3,170
Reclassified to assets held-for-sale	**(874)**	-
Balance at end	**-**	3,170
Raw materials and consumables used	**7,243**	6,214

During the financial period ended 31 December 2015, the write-down of inventories to net realisable value amounted to $813,000 (30 September 2014: $288,000) and the write off of inventories amounted to $34,000 (30 September 2014: $Nil).

During the financial period ended 31 December 2015, $257,000 (30 September 2014: $168,000) of the write-down of inventories to net realisable value in prior years were reversed following subsequent utilisation of these in sales. The write-down of inventories to net realisable value and reversal thereof are included in "Raw materials and consumables used". The inventory comprise of printing paper which will be disposed based on the fair value less costs to sell.

The Group and the Company have inventories with a carrying value of $874,000 (30 September 2014: $3,170,000) at the reporting date. As the Group had decided to cease internal production in respect of the Printing Business during the current financial period, any uncertainty over the realisable value of the inventories for sale was mitigated by determining with the recoverability of inventories based on quotations obtained by suppliers.

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11 Trade and other receivables

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Trade receivables				
- external parties	**1,757**	2,777	**1,075**	2,772
- under trade receivables factoring [1]	**1,690**	1,620	**498**	1,620
Total trade receivables	**3,447**	4,397	**1,573**	4,392
Reclassification from amount due from associate (Note 14)	**2,021**	-	**2,021**	-
	5,468	4,397	**3,594**	4,392
Less: Impairment losses				
At beginning of period/year	**(831)**	(800)	**(826)**	(795)
Amount recognised	**(321)**	(92)	**(128)**	(92)
Amount reversed	**22**	61	**22**	61
Reclassification from amount due from associate (Note 14)	**(2,021)**	-	**(2,021)**	-
At end of period/year	**(3,151)**	(831)	**(2,953)**	(826)
Total trade receivables (i)	**2,317**	3,566	**641**	3,566
Other receivables	**-**	-	**-**	-
Reclassification from amount due from associate (Note 14)	**147**	-	**147**	-
	147	-	**147**	-
Less: Impairment losses				
Reclassification from amount due from associate (Note 14)	**(147)**	-	**(147)**	-
At end of period/year	**(147)**	-	**(147)**	-
Total other receivables (ii)	**-**	-	**-**	-
Total trade and other receivables (i) + (ii)	**2,317**	3,566	**641**	3,566
Reclassified to assets held-for-sale	**(2,317)**	-	**(641)**	-
Balance at end	**-**	3,566	**-**	3,566

[1] Trade receivables factoring are those trade receivables factored with the finance institution without recourse.

Further details of the foreign currencies denomination of trade and other receivables are disclosed in Note 38.

Significant concentrations of credit risks
Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total exposure.

(a) Summary quantitative data about its exposures to credit risk for trade and others receivables provided by key management personnel.

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11 Trade and other receivables (Cont'd)

The credit risk for trade and other receivables based on the information is as follows:

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
By geographical areas				
Asia Pacific	-	1,947	-	1,947
North America	-	168	-	168
Europe and Africa	-	1,451	-	1,451
	-	3,566	-	3,566

Further details of the credit risk for trade and other receivables of discontinued operations are disclosed in Note 38.

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

Trade and other receivables have credit terms of between 30 and 120 (30 September 2014: 30 and 120) days.

The age analysis of trade and other receivables is as follows:

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Not past due and not impaired	-	2,878	-	2,878

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Company.

Further details of the age analysis for trade and other receivables of discontinued operations are disclosed in Note 38.

(c) Financial assets that are past due but not impaired

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Past due but not impaired				
Less than 30 days	-	496	-	496
30 to 60 days	-	98	-	98
61 to 90 days	-	28	-	28
More than 90 days	-	66	-	66
	-	688	-	688

Based on historical records, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due up to 3 months. These receivables are mainly arising from customers that have a good credit record with the Group.

Further details of the credit risk for trade and other receivables of discontinued operations are disclosed in Note 38.

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11 Trade and other receivables (Cont'd)

(d) The carrying amount of trade and other receivables individually determined to be impaired are as follows:

	The Group		The Company	
	31 December 2015	30 September 2014	**31 December 2015**	30 September 2014
	$'000	$'000	**$'000**	$'000
Trade receivables				
Gross amount	**3,151**	831	**2,953**	826
Provision for impairment losses	**(3,151)**	(831)	**(2,953)**	(826)
	-	-	**-**	-

	The Group		The Company	
	31 December 2015	30 September 2014	**31 December 2015**	30 September 2014
	$'000	$'000	**$'000**	$'000
Other receivables				
Gross amount	**147**	147	**147**	147
Provision for impairment losses	**(147)**	(147)	**(147)**	(147)
	-	-	**-**	-

The impaired trade and other receivables arise mainly due to those balances which are not considered to be collectible.

Further details of the Group's financial risk management of credit risk are set out in Note 38.

12 Deposits

	The Group		The Company	
	31 December 2015	30 September 2014	**31 December 2015**	30 September 2014
	$'000	$'000	**$'000**	$'000
Deposits	**135**	127	**60**	127
Reclassified to assets held-for-sale	**(60)**	-	**(60)**	-
Balance at end	**75**	127	**-**	127

Further details of the foreign currencies denomination of deposits are disclosed in Note 38.

13 Advances and prepayments

	The Group			The Company	
	31 December 2015	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014 (Restated)
	$'000	$'000	$'000	**$'000**	$'000
Advances to suppliers	**2,793**	-	-	**-**	-
Prepayments	**89**	40	35	**40**	40
Reclassified to assets held-for-sale	**(40)**	-	-	**(40)**	-
Balance at end	**2,842**	40	35	**-**	40

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13 Advances and prepayments (Cont'd)

As part of the current core business, the Group procures chemical products from the region for sale to the PRC market.

The advances made to suppliers of raw materials amounting to $2,793,000 were made for the procurement of chemical supplies in respect of OSC's chemical business. The supplies were subsequently received and sold after the reporting date.

14 Amounts due from/due to related corporations

	31 December 2015	30 September 2014 (Restated)	1 October 2013
	$'000	$'000	$'000
Balances with associate			
The Group and The Company			
Amounts due from associate			
- Trade	**2,021**	2,021	2,071
- Non-trade	**147**	147	147
Reclassification to trade and other receivables (Note 11)	**(2,168)**	-	-
	-	2,168	2,218
Less: Impairment loss			
At beginning of period/year	**(2,168)**	(1,804)	(1,804)
Amount recognised	**-**	(364)	-
Reclassification to trade and other receivables (Note 11)	**2,168**	-	-
At end of period/year	**-**	(2,168)	(1,804)
	-	-	414

	31 December 2015	30 September 2014 (Restated)	1 October 2013
Balances with subsidiaries	**$'000**	$'000	$'000
The Company			
Amount due from subsidiaries			
- Trade	**2,254**	296	299
- Non-trade	**1,006**	1,003	997
Reclassified to assets held-for-sale	**(3,260)**	-	-
	-	1,299	1,296
Less: Impairment loss			
At beginning of period/year	**(1,299)**	(1,296)	(1,337)
Amount recognised	**(1,961)**	(3)	(5)
Amount reversed	**-**	-	46
Reclassified to assets held-for-sale	**3,260**	-	-
At end of period/year	**-**	(1,299)	(1,296)
	-	-	-
Amount due to subsidiaries – trade	**-**	-	(85)

Trade amounts due from subsidiaries and associate are unsecured, interest-free and repayable on demand.

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14 Amount due from/due to related corporations (Cont'd)

During the financial period ended 31 December 2015, the Company recognised impairment losses of $1,961,000 (year ended 30 September 2014 - $3,000) for amounts due from subsidiaries which are not fully recoverable.

During the financial period ended 31 December 2015, the Group and the Company recognised impairment losses relating to amount due from associate of $Nil (year ended 30 September 2015: $364,000) as these balances are not recoverable.

During the financial period 31 December 2015, the management had reassessed and concluded that they do not have significant influence over the associate. Accordingly, the amount due from associate as of 31 December 2015 of $2,168,000 (comprising trade balances of $2,021,000 and non-trade balances of $147,000) has been reclassified to trade and other receivables in Note 11.

Trade and non-trade amounts due from subsidiaries and associate are denominated in the Singapore dollar.

Trade amount due to subsidiary is denominated in the Australian dollar.

Further details of the Group's financial risk management of foreign currency and liquidity risk exposures are set out in Note 38.

15 Cash and bank balances

	The Group			The Company	
	31 December 2015	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014 (Restated)
	$'000	$'000	$'000	**$'000**	$'000
Cash on hand	**20**	3	3	**3**	3
Cash at bank	**9,410**	14,084	98	**419**	14,081
	9,430	14,087	101	**422**	14,084

For the purpose of the consolidated statement of cash flows, the year-end cash and cash equivalents comprising the following:

	The Group		
	31 December 2015	30 September 2014 (Restated)	1 October 2013
	$'000	$'000	$'000
Cash and bank balances	**9,430**	14,087	**101**
Bank overdrafts (Note 19)	**(925)**	-	**(897)**
	8,505	14,087	**(796)**

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15 Cash and bank balances (Cont'd)

Cash and bank balances include:

	The Group			The Company	
	31 December 2015	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014 (Restated)
	$'000	$'000	$'000	**$'000**	$'000
Continuing operations					
Cash on hand	**20**	3	3	**3**	3
Cash at bank	**9,410**	14,084	98	**419**	14,081
	9,430	14,087	101	**422**	14,084

Further details of the foreign currencies denomination of cash and bank balances and the Group's financial risk management of foreign currency risk exposures are set out in Note 38.

16 Share capital

	No. of shares		Amount	
	31 December 2015	30 September 2014	**31 December 2015**	30 September 2014
	'000	'000	**$'000**	$'000
Issued and fully paid ordinary shares with no par value:				
At beginning of period/year	**188,000**	168,000	**21,267**	20,267
Issue of ordinary shares	**-**	20,000	**-**	1,000
Conversion of other equity instruments	**60,000**	-	**3,000**	-
At end of period/year	**248,000**	188,000	**24,267**	21,267

On 10 December 2014, the Company issued and allotted 60,000,000 ordinary shares at the Conversion Price of $0.05 per share in the capital of the Company, following the conversion of $3,000,000 Convertible Bonds due in 2016 pursuant to the issue of a conversion notice by Mr Sam Kok Yin.

Pursuant to the issue and allotment of the Conversion shares, the number of issued and paid-up shares in the capital of the Company had increased from 188,000,000 to 248,000,000 ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

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17 Other equity instruments

	31 December 2015 $'000	30 September 2014 $'000
The Group and The Company		
Non-transferrable convertible bonds:		
At beginning of period/year	**13,916**	-
Issue of non-transferrable convertible bonds	**-**	13,916
Conversion of non-transferrable convertible bonds	**(3,000)**	-
At end of period/year	**10,916**	13,916

Non-transferrable convertible bonds

On 8 May 2014, the Company entered into a subscription agreement with Mr Shi Jiangang and Mr Sam Kok Yin (collectively, the "Subscribers" and each, a "Subscriber"), to issue to the Subscribers non-transferrable convertible bonds due 2016 in aggregate principal amount of $14,000,000 (the "Convertible Bonds"), convertible into an aggregate of 280,000,000 new ordinary shares in the capital of the Company (the "Conversion Shares"), and to grant to the Subscribers an option to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the capital of the Company at the price of $0.05 per option share (the "Call Option"), the main terms of the agreement are as follows:

(a) The Convertible Bonds have principal amount of $14,000,000 and each Subscriber has the right to convert the Convertible Bonds at $0.05 per Conversion Share any time during the eighteen (18) months' period from the date of the Convertible Bonds issue (the "Conversion period"). Such conversion is to be exercised in a minimum amount of $3,000,000 and integral multiples thereof, provided that in respect of any remaining lesser amount, such Bonds shall be converted in full in that amount. The Convertible Bonds are not transferrable during the conversion period. The new shares shall rank pari passu in all respects with the existing shares of the Company.

(b) There is no interest payable during the period of the Convertible Bonds.

(c) Such Convertible Bonds that are not exercised within the conversion period will be mandatorily converted into Conversion Shares at the expiration of the conversion period.

(d) In consideration of the Subscribers agreeing to subscribe for the Convertible Bonds, the Company shall irrevocably grant to each Subscriber a Call Option to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the Capital of the Company at the price of $0.05 per option share. This Call Option is exercisable (in whole and not in part only) once by each of the Subscribers at any time during the period of three (3) years commencing on the first anniversary of the date of completion of the Convertible Bonds.

The completion of the Convertible Bonds issue had taken place on 25 September 2014. The amount of the Convertible Bonds classified as equity of $13,916,000 is net of attributable transaction costs of $84,000.

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17 Other equity instruments (Cont'd)

Details of the bonds and options of the Company granted to directors of the Company are as follows:

Non-transferrable Convertible Bonds

Name of the director	Aggregate principal value of bonds outstanding as of beginning of financial period	Aggregate principal value of bonds redeemed during the financial period	Aggregate principal value of bonds outstanding as at end of financial period
	$'000	$'000	$'000
Shi Jiangang	9,250	-	9,250
Sam Kok Yin	4,750	(3,000)	1,750
Total	14,000	(3,000)	11,000

Conversion Shares

Name of the director	Conversion shares outstanding as at beginning of financial period	Aggregate conversion shares granted since commencement till end of financial period	Aggregate conversion shares exercised during financial period	Aggregate conversion shares outstanding as at end of financial period
		Number of Conversion Shares		
Shi Jiangang	185,000,000	185,000,000	-	185,000,000
Sam Kok Yin	95,000,000	95,000,000	(60,000,000)	35,000,000
Total	280,000,000	280,000,000	(60,000,000)	220,000,000

The Conversion Shares are exercisable within 18 months from the date of issuance of the Convertible Bonds at the exercise price of $0.05 per conversion share subject to the terms and conditions of the bonds. During the current financial period, pursuant to the Subscription Agreement, Mr Sam Kok Yin exercised his right to convert a principal amount of $3,000,000 in Convertible Bonds and the Company issued and allotted 60,000,000 new ordinary shares to Mr Sam Kok Yin.

Call Options

Name of the director	Option shares outstanding as at beginning of financial period	Aggregate option shares granted since commencement to end of financial period	Aggregate option shares exercised since commencement to end of financial period	Aggregate option shares outstanding as at end of financial period
		Number of Option Shares		
Shi Jiangang	138,750,000	138,750,000	-	138,750,000
Sam Kok Yin	71,250,000	71,250,000	-	71,250,000
Total	210,000,000	210,000,000	-	210,000,000

The Call Options are exercisable between the periods of 25 September 2015 to 24 September 2018 at the exercise price of $0.05 per option share.

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18 Reserves

	The Group			The Company		
	31 December 2015	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014 (Restated)	1 October 2013
	$'000	$'000	$'000	**$'000**	$'000	$'000
Translation reserve	**2**	-	(8)	**-**	-	-
Asset revaluation reserve	**11,952**	16,085	14,361	**11,952**	16,085	14,361
Accumulated losses	**(29,686)**	(20,451)	(16,522)	**(30,862)**	(20,443)	(16,577)
	(17,732)	(4,366)	(2,169)	**(18,910)**	(4,358)	(2,216)

Translation reserve
Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Asset revaluation reserve
The asset revaluation reserve is used to record increases in the fair value of leasehold land and building and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The movements in the asset revaluation reserve are as follows:

	31 December 2015	30 September 2014
The Group and The Company	**$'000**	$'000
At beginning of period/year	**16,085**	14,361
(Deficit)/Surplus on revaluation of leasehold land and building (Note 8)	**(1,685)**	1,724
Charge of deferred tax liabilities (Note 22)	**(2,448)**	-
At end of period/year	**11,952**	16,085

19 Loans and borrowings

	Maturity	The Group		The Company	
		31 December 2015	30 September 2014	**31 December 2015**	30 September 2014
		$'000	$'000	**$'000**	$'000
Current:					
Bills payable (secured) (a)					
- Singapore dollar	2016	**132**	388	**132**	388
- United States dollar	2016	**970**	1,862	**970**	1,862
Term loan (Singapore dollar) (secured) (b)	2015	**-**	560	**-**	560
Amounts due to a financial institution (secured) (c)					
- Singapore dollar	2016	**473**	941	**134**	941
- United States dollar	2016	**-**	389	**-**	389
- Australia dollar	2016	**182**	-	**182**	-
Bank overdraft (Singapore dollar) (secured) (d)	2016	**925**	-	**925**	-
		2,682	4,140	**2,343**	4,140
Reclassified to liabilities held-for-sale		**(2,682)**	-	**(2,343)**	-
		-	4,140	**-**	4,140

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19 Loans and borrowings (Cont'd)

Term loan comprise the following:

(a) Bills payable bear interest at rates ranging from 1.60% to 2.01% (30 September 2014: 1.59% to 1.70%) per annum. The maturity dates of the bill payable fall between January 2016 to May 2016

(b) This loan is repayable in 120 monthly instalments, commencing October 2005. The loan bears interest at 2.38% per annum fixed for the first 12 monthly instalments, 3.60% per annum fixed for the next 12 monthly instalments, 0.75% per annum below the bank's prevailing prime lending rate for the next 12 monthly instalments and at the bank's prevailing prime lending rate for the subsequent 84 monthly instalments. This loan was settled in the current period ended 31 December 2015.

(c) Amounts due to a financial institution relate to trade receivables factoring. These amounts bear interest at 4.25% to 6.35% (30 September 2014: 5.18% to 6.37%) per annum, and are denominated in the Singapore dollar, United States dollar and Australian dollar and secured by the factored trade receivables.

(d) Bank overdraft bears interest at 5.75% (30 September 2014: 4.76%) per annum.

Bills payable to banks, term loans and bank overdraft are secured by the leasehold land and building (Note 8) with carrying value of $19,500,000 (30 September 2014: $22,000,000).

The weighted average interest rates of borrowings at the reporting date are as follows:

	31 December 2015	30 September 2014
The Group and the Company		
Continuing operations		
Bill payable (secured)	-	1.63%
Term loans (secured)	-	5.00%
Amounts due to a financial institution (secured)	-	5.77%
Bank overdrafts (secured)	-	4.76%

	31 December 2015	30 September 2014
The Group and the Company		
Discontinued operations (Note 4)		
Bill payable (secured)	**1.81%**	-
Term loans (secured)	**-**	-
Amounts due to a financial institution (secured)	**5.31%**	-
Bank overdrafts (secured)	**5.75%**	-

Further details of the Group's and the Company's financial risk management of foreign currency risk, interest rate risk and liquidity risk exposures are set out in Note 38.

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20 Finance lease liabilities

	Nominal interest rate %	Maturity	The Group **31 December 2015 $'000**	The Group 30 September 2014 (Restated) $'000	The Group 1 October 2013 $'000	The Company **31 December 2015 $'000**	The Company 30 September 2014 (Restated) $'000
Current:							
Finance lease liabilities	4.6%	2016	**5**	19	54	**5**	19
Non-current:							
Finance lease liabilities	4.6%	2018	**6**	12	45	**6**	12
			11	31	99	**11**	31
Reclassified to liabilities held-for-sale			**(11)**	-	-	**(11)**	-
			-	31	99	**-**	31

	The Group **31 December 2015 $'000**	The Group 30 September 2014 (Restated) $'000	The Group 1 October 2013 $'000	The Company **31 December 2015 $'000**	The Company 30 September 2014 (Restated) $'000
Future minimum lease payments:					
Within one year	**5**	19	58	**5**	19
Between one and five years	**7**	13	48	**7**	13
	12	32	106	**12**	32
Finance charges allocated to future periods	**(1)**	(1)	(7)	**(1)**	(1)
Present value of minimum lease payments	**11**	31	99	**11**	31
Reclassified to assets held-for-sale	**(11)**	-	-	**(11)**	-
Balance at end	**-**	31	99	**-**	31
Present value of minimum lease payments					
Within one year	**5**	19	54	**5**	19
Between one and five years	**6**	12	45	**6**	12
	11	31	99	**11**	31
Reclassified to assets held-for-sale	**(11)**	-	-	**(11)**	-
Balance at end	**-**	31	99	**-**	31

Finance lease liabilities are secured by the underlying assets (Note 8) acquired under the finance lease arrangements. The carrying amounts of finance lease liabilities approximate their fair values.

Finance lease liabilities are denominated in the Singapore dollar.

The weighted average interest rates of finance lease liabilities as of the reporting date is 4.60% (30 September 2014: 4.67%).

Further details of the Company's financial risk management of foreign currency risk, interest rate risk and liquidity risk exposures are set out in Note 38.

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21 Provisions

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
At beginning and at end of period/year	**15**	15	**15**	15
Reclassified to liabilities held-for-sale	**(15)**	-	**(15)**	-
Balance at end	**-**	15	**-**	15

This relates to provision for restoration cost in respect of the leasehold buildings. The provision is denominated in the Singapore dollar.

22 Deferred tax liabilities

	31 December 2015	30 September 2014
The Group and The Company	**$'000**	$'000
Discontinued operations (Note 4)		
Deferred tax liabilities		
Balance at beginning	**-**	-
Charge to equity on asset revaluation reserve (Note 18)	**2,448**	-
	2,448	-
Reclassified to liabilities held-for-sale	**(2,448)**	-
Balance at end	**-**	-

The balances are attributable to the following:

	31 December 2015	30 September 2014
The Group and The Company	**$'000**	$'000
Revaluation to fair value of leasehold land and building (1)	**2,448**	-

(1) The revaluation to fair value of leasehold land and building is only associated with the discontinued operations.

23 Trade payables

	The Group		The Company	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Trade payables	**1,253**	2,224	**1,191**	2,224
Reclassified to liabilities held-for-sale	**(1,253)**	-	**(1,191)**	-
Balance at end	**-**	2,224	**-**	2,224

Trade payables are non-interest bearing and have credit terms of between 30 and 90 (30 September 2014: 30 and 90) days.

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23 Trade payables (Cont'd)

Further details of the foreign currency risk and liquidity risk for trade and other payables of discontinued operations are disclosed in Note 38.

24 Other payables and accruals

	The Group			The Company	
	31 December 2015	30 September 2014 (Restated)	1 October 2013	**31 December 2015**	30 September 2014
	$'000	$'000	$'000	**$'000**	$'000
Accrued operating expenses	**1,557**	703	518	**1,554**	701
Accrued employee benefits	**648**	259	206	**634**	258
Other payables	**417**	639	583	**353**	631
	2,622	1,601	1,307	**2,541**	1,590
Reclassified to liabilities held-for-sale	**(2,173)**	-	-	**(2,110)**	-
Balance at end	**449**	1,601	1,307	**431**	1,590

Other payables are non-interest bearing and normally settled on 30 to 90 (30 September 2014: 30 to 90) days' terms.

Further details of the foreign currencies denomination and liquidity risk of other payables and accruals are disclosed in Note 38.

25 Amounts due to directors

The amounts due to directors, comprising mainly advances of $4,252,000 (30 September 2014: $6,902,000) granted to the Company by Messrs Ong Kwee Cheng (Dora), an alternate director of the Company and Mr. Sam Kok Yin, an executive director of the Company. These advances, bearing interest at 3.0% (30 September 2014: 3.0%) per annum, are denominated in the Singapore dollar, unsecured, and repayable on demand.

Further details of the Company's financial risk management of liquidity risk exposures are set out in Note 38.

26 Revenue

	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014
The Group	**$'000**	$'000
Discontinued operations (Note 4)		
Printing services	**13,414**	13,299

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27 Other operating income

	Continuing operations		Discontinued operations		Total	
	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014
Discontinued operations (Note 4)	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
The Group						
Interest income	**-**	-	**17**	-	**17**	-
Rental income	**-**	-	**19**	17	**19**	17
Government grants	**-**	-	**181**	127	**181**	127
Exchange gain, net	**-**	-	**-**	28	**-**	28
Gain on sales of scrap material	**-**	-	**156**	190	**156**	190
Others	**-**	-	**20**	12	**20**	12
	-	-	**393**	374	**393**	374

28 Employee benefits expense

	Continuing operations		Discontinued operations		Total	
	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014
The Group	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Salaries, bonuses and other costs	**73**	-	**5,888**	3,957	**5,961**	3,957
Central Provident Fund	**-**	-	**399**	278	**399**	278
	73	-	**6,287**	4,235	**6,360**	4,235

Included in the above is key management personnel compensation, excluding fees paid to non-executive directors, as disclosed in Note 36.

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29 Other expenses

	Continuing operations		Discontinued operations		Total	
	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014	**Period from 1 October 2014 to 31 December 2015**	Year ended 30 September 2014
The Group	**$'000**	$'000 (Restated)	**$'000**	$'000 (Restated)	**$'000**	$'000 (Restated)
Auditors' remuneration	**-**	-	**57**	55	**57**	55
Bank charges	**-**	-	**43**	41	**43**	41
Commission to trade receivable factoring	**-**	-	**36**	46	**36**	46
Directors' fee	**-**	-	**110**	99	**110**	99
Exchange loss, net	**-**	-	**201**	-	**201**	-
Factory supplies	**-**	-	**131**	122	**131**	122
Impairment loss on trade receivables	**-**	-	**299**	31	**299**	31
Impairment loss on amounts due from associate	**-**	-	**-**	364	**-**	364
Impairment loss on assets held-for-sale	**-**	-	**383**	-	**383**	-
Insurance expenses	**-**	-	**104**	91	**104**	91
Loss on disposal of property, plant and equipment	**-**	-	**-**	322	**-**	322
Property, plant and equipment written-off	**-**	-	**1**	-	**1**	-
Legal and professional fee	**-**	-	**311**	190	**311**	190
Marketing fee	**-**	-	**121**	111	**121**	111
Office expenses	**-**	-	**38**	22	**38**	22
Property tax	**-**	-	**144**	115	**144**	115
Security fee	**-**	-	**110**	80	**110**	80
Software cost	**-**	-	**37**	7	**37**	7
Telephone expenses	**-**	-	**98**	80	**98**	80
Transport expenses	**-**	-	**109**	109	**109**	109
Travel expenses	**-**	-	**43**	108	**43**	108
Vehicle upkeep expenses	**-**	-	**66**	69	**66**	69
Others	**50**	-	**125**	213	**175**	213
	50	-	**2,567**	2,275	**2,617**	2,275

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30 Finance costs

	Continuing operations		Discontinued operations		Total	
The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Interest expense						
- bank overdrafts	**-**	-	**39**	35	**39**	35
- finance leases	**-**	-	**1**	3	**1**	3
- term loans	**-**	-	**12**	41	**12**	41
- bills payable	**-**	-	**44**	31	**44**	31
- interest on advances from a director	**-**	-	**433**	205	**433**	205
- trade receivables factoring	**-**	-	**69**	57	**69**	57
	-	-	**598**	372	**598**	372

31 Loss before taxation

The Group	Note	Continuing operations: **Period from 1 October 2014 to 31 December 2015 $'000**	Continuing operations: Year ended 30 September 2014 $'000	Discontinued operations: **Period from 1 October 2014 to 31 December 2015 $'000**	Discontinued operations: Year ended 30 September 2014 $'000	Total: **Period from 1 October 2014 to 31 December 2015 $'000**	Total: Year ended 30 September 2014 $'000
Loss before taxation has been arrived at after charging / (crediting):							
Directors' fee		**-**	-	**110**	99	**110**	99
Auditors' remuneration		**-**	-	**57**	55	**57**	55
Depreciation of property, plant and equipment	8	**-**	-	**1,793**	1,390	**1,793**	1,390
Impairment loss on trade receivables, net	11	**-**	-	**299**	31	**299**	31
Impairment loss on amounts due from associate		**-**	-	**-**	364	**-**	364
Loss on disposal of property, plant and equipment		**-**	-	**1**	322	**1**	322

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31 Loss before taxation (Cont'd)

		Continuing operations		Discontinued operations		Total	
The Group	Note	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Write-down of inventories, net	10	**-**	-	**556**	120	**556**	120
Write-off of Inventories	10	**-**	-	**34**	-	**34**	-
Raw materials and consumables used	10	**-**	-	**7,243**	6,214	**7,243**	6,214
Exchange loss/(gain), net		**-**	-	**201**	(28)	**201**	(28)
Operating lease expenses		**-**	-	**1,303**	1,134	**1,303**	1,134

32 Tax expense

32.1 Income tax recognized in profit or loss

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Current tax expense		
Continuing operations:		
- Current year	**-**	**-**
- Adjustment for prior years	**-**	**-**
	-	**-**
Discontinued operations:		
- Current year	**-**	**-**
- Adjustment for prior years	**-**	**(42)**
	-	**(42)**
	-	**(42)**

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32 Tax expense (Cont'd)

32.1 Income tax recognized in profit or loss

Reconciliation of effective tax rate

The tax expense on the results of the financial year varies from the amount of income tax determined by applying each entity's domestic rates of income tax on the Group's results as a result of the following:

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000
Loss before taxation:		
Continuing operations	**(123)**	-
Discontinued operations	**(9,171)**	(3,971)
	(9,294)	(3,971)
Tax at domestic rates applicable to individual group entities	**(1,588)**	(675)
Non-deductible expenses	**65**	79
Non-taxable income	**(14)**	(11)
Tax incentives	**(112)**	(131)
Deferred tax assets on current year losses not recognised	**1,299**	499
Deferred tax assets on temporary differences not recognised	**350**	239
Adjustment for prior years	**-**	(42)
	-	(42)

Allocated to:

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Continuing operations:	-	-
Discontinued operations:	-	(42)
	-	(42)

The domestic tax rates applicable to the profit of the following companies are as follows:

	Country	Rate	Basis
Abundance International Limited	Singapore	17.0%	Full tax
Craft Print Pte. Ltd.	Singapore	17.0%	Full tax
Printing Farm Pte. Ltd.	Singapore	17.0%	Full tax
Orient-Salt Chemicals Pte. Ltd.	Singapore	17.0%	Full tax
Dong Yan Chemical (Shanghai) Co., Ltd. (3)	People's Republic China	25.0%	Full tax
Touen Japan Co., Ltd. (3)	Japan	23.9%	Full tax

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom:

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32 Tax expense (Cont'd)

32.2 Unrecognised deferred tax assets

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Tax losses	**-**	17,679
Wear and tear allowances	**-**	1,649
Deductible temporary differences	**-**	7,276
Investment allowances	**-**	328
	-	26,932
The Company		
Tax losses	**-**	17,482
Wear and tear allowances	**-**	1,649
Deductible temporary differences	**-**	7,276
Investment allowances	**-**	328
	-	26,735

The unabsorbed losses and unutilised wear and tear allowances are subject to the agreement and compliance with the relevant rules and procedures of the Inland Revenue Authority of Singapore. The deductible temporary differences do not expire under current tax legislation.

32.3 Other comprehensive income net of tax

	Before Tax $'000	**Tax Expense $'000**	**Net of Tax $'000**
The Group			
31 December 2015			
Asset revaluation reserve	**(1,685)**	**(2,448)**	**(4,133)**
Currency translation difference	**2**	**-**	**2**
	(1,683)	**(2,448)**	**(4,131)**
30 September 2014			
Asset revaluation reserve	1,724	-	1,724
Currency translation difference	8	-	8
	1,732	-	1,732

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33 Loss per share

The Group

	Continuing operations		Discontinued operations		Total	
	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014 (Restated)	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014 (Restated)	Period from 1 October 2014 to 31 December 2015	Year ended 30 September 2014 (Restated)
Net loss attributable to equity holders of the Company ($'000) (A)	(64)	-	(9,171)	(3,929)	(9,235)	(3,929)
Weighted average number of ordinary shares outstanding for basic loss per share (B)	468,000,000	172,931,507	468,000,000	172,931,507	468,000,000	172,931,507
Weighted average number of ordinary shares outstanding for diluted loss per share (C)	468,000,000	172,931,507	468,000,000	172,931,507	468,000,000	172,931,507
Basic loss per share (cents per share) (A) / (C)	(0.01)	-	(1.96)	(2.27)	(1.97)	(2.27)
Diluted loss per share (cents per share) (A) / (B)	(0.01)	-	(1.96)	(2.27)	(1.97)	(2.27)

(a) Discontinued operations

Basic and diluted loss per share from discontinued operations are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

(b) Loss per share from continuing operations

Basic and diluted loss per share from continuing operations are calculated by dividing the loss for the year from continuing operations attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

There is no dilutive loss per share as the Group incurred losses.

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33 Loss per share (Cont'd)

These figures assume the full conversion of the outstanding Convertible Bonds under the Subscription Agreement. The 210,000,000 ordinary shares in the capital of the Company which may be issued from the call option under the Subscription Agreement and the 69,176,472 ordinary shares in the capital of the Company which may be issued pursuant to the JV Put and Call options under the JV Agreement have been excluded from the calculation of diluted loss per share from the period ended 31 December 2015 as the Group incurred losses.

Other than as disclosed above, the Company did not have any stock options or dilutive potential ordinary shares during the period ended 31 December 2015 and year ended 30 September 2014.

34 Commitments

Operating lease commitments – where the Group and the Company are lessees

At the reporting date, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases for leasehold land and equipment:

The Group and The Company	**31 December 2015 $'000**	30 September 2014 $'000
Within one year	**181**	317
Between one and five years	**174**	592
More than five years	**-**	1
	355	910

These operating leases expire between December 2016 and October 2019. The leasehold land is renewable for 30 years upon maturity of the lease in October 2019.

35 Related party transactions

The Group

Other than as disclosed elsewhere in the financial statements, significant transactions with related parties on terms agreed between the parties are as follows:

The Group	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Interest incurred on advances from directors	**433**	205
Advances from directors	**1,090**	1,177

The Company included an accounting entry to recognise an additional interest cost of $263,000 (YE 30 September 2014: $Nil) relating to advances from directors, to reflect prevailing market interest rates.

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36 Key management personnel compensation

The Group and The Company	Period from 1 October 2014 to 31 December 2015 $'000	Year ended 30 September 2014 $'000
Short-term employee benefits	**1,518**	441
Central Provident Fund	**35**	9
	1,553	450

Remuneration paid to employees who are family members of the directors

The Group and The Company	Period from 1 October 2014 to 31 December 2015 $'000	Year ended 30 September 2014 $'000
Short-term employee benefits	**418**	271
Central Provident Fund	**37**	30
	455	301

37 Operating segments

Business segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

(i) Book and magazines - covers the printing of books and magazines.

(ii) Calendars - covers the printing of calendars.

(iii) Annual reports and others - covers the printing of annual reports. Other operations under the Group, which are currently not significant to be reported separately (including general corporate functions), are included under "others".

There are no operating segments that have been aggregated to form the above reportable operating segments.

Sales to external customers disclosed in geographical segments are based on the geographical location of the customers.

The Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments. Sales between operating segments are carried out at arm's length.

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37 Operating segments (Cont'd)

	Continuing		<------ Discontinued				------>			
			Books and magazines		Calendars		Annual reports and others		Consolidated	
	Period from 1 October 2014 to 31 December 2015 $'000	Year ended 30 September 2014 (Restated) $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 (Restated) $'000
Sales to external customers	**-**	**-**	**9,597**	10,008	**541**	511	**3,276**	2,780	**13,414**	13,299
Segment revenue	**-**	**-**	**9,597**	10,008	**541**	511	**3,276**	2,780	**13,414**	13,299
Segment results	**(123)**	-	**(6,133)**	(2,709)	**(346)**	(138)	**(2,094)**	(752)	**(8,696)**	(3,599)
Loss from operating activities									**(8,696)**	(3,599)
Finance costs									**(598)**	(372)
Loss before income tax									**(9,294)**	(3,971)
Tax expense									**-**	42
Loss for the period/year									**(9,294)**	(3,929)
Other material items:										
Impairment loss on trade receivables, net	**-**	**-**	**(214)**	(23)	**(12)**	(2)	**(73)**	(6)	**(299)**	(31)
Impairment loss on amounts due from associate	**-**	**-**	**-**	(274)	**-**	(14)	**-**	(76)	**-**	(364)
Write-down of inventories, net	**-**	**-**	**(398)**	(90)	**(22)**	(5)	**(136)**	(25)	**(556)**	(120)
Write-off of inventories	**-**	**-**	**(24)**	-	**(2)**	-	**(8)**	-	**(34)**	-
Capital expenditure	**-**	**-**	**26**	13	**1**	1	**9**	3	**36**	17
Depreciation of property, plant and equipment	**-**	**-**	**(1,283)**	(1,046)	**(72)**	(53)	**(438)**	(291)	**(1,793)**	(1,390)
Impairment loss on assets held-for-sale	**-**	**-**	**(274)**	-	**(15)**	-	**(94)**	-	**(383)**	-

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37 Operating segments (Cont'd)

Information by segment on the Group's operations has not been analysed by assets employed because it is not meaningful, as the Group's operations are not distinctly delineated in terms of the assets of the Group.

Geographical segments
Revenue information based on geographical location of customers and assets respectively are as follows:

	Continuing		<------------	Discontinued	------------	------------	------------	------------>		
	China		Asia Pacific		North America		Europe		Africa		Consolidated	
	Period from 1 October 2014 to 31 December 2015 $'000	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000	**Period from 1 October 2014 to 31 December 2015 $'000**	Year ended 30 September 2014 $'000
Segment revenue												
External revenue	**-**	-	**7,386**	7,438	**1,505**	1,769	**3,013**	2,293	**1,510**	1,799	**13,414**	13,299
Total revenue											**13,414**	13,299

Revenue is attributed to geographical areas based on the geographical location of the Group's customers. The Group's assets are substantially located in Singapore.

Accordingly, segment asset, segment liabilities and capital expenditure information is not provided as it is not meaningful.

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38 Financial risk management

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and their risk management philosophy. The Group and the Company are exposed to financial risks arising from their operations. The key financial risks included market risk, credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies and evaluates financial risks in close co-operation with the Group's and the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and liquidity risk.

There has been no change to the Group's and Company's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Group's and the Company's carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	The Group		The Company	
Continuing operation	**31 December 2015 $'000**	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Loans and receivables:				
Trade and other receivables	-	3,566	-	3,566
Deposits	75	127	-	127
Cash and bank balances	9,430	14,087	422	14,084
	9,505	17,780	422	17,777
Financial liabilities at amortised cost:				
Trade payables	-	2,224	-	2,224
Other payables and accruals	449	1,601	431	1,590
Amounts due to directors	-	7,035	-	7,035
Loans and borrowings	-	4,140	-	4,140
Finance lease liabilities	-	31	-	31
	449	15,031	431	15,020

The discontinued operations' carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	The Group	**The Company**
Discontinued operations	**31 December 2015 $'000**	**31 December 2015 $'000**
Loans and receivables:		
Trade and other receivables	**2,317**	**641**
Deposits	**60**	**60**
Cash and bank balances	-	-
	2,377	**701**

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38 Financial risk management (Cont'd)

Discontinued operations	The Group 31 December 2015 $'000	The Company 31 December 2015 $'000
Financial liabilities at amortised cost:		
Trade payables	1,253	1,191
Other payables and accruals	2,173	2,110
Amounts due to directors	4,382	4,382
Loans and borrowings	2,682	2,343
Finance lease liabilities	5	5
	10,495	10,031

38.1 Financial risk factors

The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

38.2 Market risk

38.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its variable rate loans and borrowings. The Group's policies are to obtain the most favourable interest rates available without increasing their foreign currency exposure.

Cash flow sensitivity analysis for variable rate instruments
At the reporting date, a 50 basis points ("bp") increase/decrease in interest rate on variable rate loans and borrowings would have increased/decreased loss before tax and increased/decreased equity by the amounts shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	(50bp Increase)	(50bp Decrease)	(50bp Increase)	(50bp Decrease)
	Loss before tax - increase/(decrease)		Equity - increase/(decrease)	
The Group and the Company Continuing operations	$'000	$'000	$'000	$'000
31 December 2015				
Variable rate loans and borrowings	-	-	-	-
30 September 2014				
Variable rate loans and borrowings	15	(15)	(15)	15

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.1 Interest rate risk (cont'd)

Interest rate risk exposed to the discontinued operations is as follows:

The Group and the Company Discontinued operations	(50bp Increase) Loss before tax - increase/(decrease) $'000	(50bp Decrease) $'000	(50bp Increase) Equity - increase/(decrease) $'000	(50bp Decrease) $'000
31 December 2015				
Variable rate loans and borrowings	8	(8)	8	(8)

38.2.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the United States dollar, Australian dollar and British Pound.

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.2 Currency risk (cont'd)

The Group's and the Company's exposures to currency risks are as follows:

Continuing operations		Singapore Dollar		US Dollar		Australian Dollar		British Pound		Japanese Yen		Euro	
The Group		**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	Note	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Financial Assets													
Trade and other receivables	**11**	**-**	2,104	**-**	931	**-**	251	**-**	280	**-**	-	**-**	-
Deposits	**12**	**-**	127	**-**	-	**-**	-	**-**	-	**75**	-	**-**	-
Cash and bank balances	**15**	**8,672**	14,029	**34**	44	**13**	2	**2**	10	**708**	-	**1**	2
		8,672	16,260	**34**	975	**13**	253	**2**	290	**783**	-	**1**	2
Financial Liabilities													
Trade payables	**23**	**-**	2,169	**-**	54	**-**	-	**-**	-	**-**	-	**-**	1
Other payables and accruals	**24**	**431**	1,601	**-**	-	**-**	-	**-**	-	**18**	-	**-**	-
Amounts due to directors	**25**	**-**	7,035	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Loans and borrowings	**19**	**-**	1,889	**-**	2,251	**-**	-	**-**	-	**-**	-	**-**	-
Finance lease liabilities	**20**	**-**	31	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
		431	12,725	**-**	2,305	**-**	-	**-**	-	**18**	-	**-**	1
Net currency exposure on financial assets and (financial liabilities)		**8,241**	3,535	**34**	(1,330)	**13**	253	**2**	290	**765**	-	**1**	1

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.2 Currency risk (cont'd)

Continuing operations The Company	**Note**	Singapore Dollar **2015 $'000**	Singapore Dollar 2014 $'000	US Dollar **2015 $'000**	US Dollar 2014 $'000	Australian Dollar **2015 $'000**	Australian Dollar 2014 $'000	British Pound **2015 $'000**	British Pound 2014 $'000	Japanese Yen **2015 $'000**	Japanese Yen 2014 $'000	Euro **2015 $'000**	Euro 2014 $'000
Financial Assets													
Trade and other receivables	**11**	**-**	2,104	**-**	931	**-**	251	**-**	280	**-**	-	**-**	-
Deposits	**12**	**-**	127	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Cash and bank balances	**15**	**372**	14,026	**34**	44	**13**	2	**2**	10	**-**	-	**1**	2
		372	16,257	**34**	975	**13**	253	**2**	290	**-**	-	**1**	2
Financial Liabilities													
Trade payables	**23**	**-**	2,169	**-**	54	**-**	-	**-**	-	**-**	-	**-**	1
Other payables and accruals	**24**	**431**	1,590	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Amounts due to directors	**25**	**-**	7,035	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Loans and borrowings	**19**	**-**	1,889	**-**	2,251	**-**	-	**-**	-	**-**	-	**-**	-
Finance lease liabilities	**20**	**-**	31	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
		431	12,714	**-**	2,305	**-**	-	**-**	-	**-**	-	**-**	1
Net currency exposure on financial assets and (financial liabilities)		**(59)**	3,543	**34**	(1,330)	**13**	253	**2**	290	**-**	-	**1**	1

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.2 Currency risk (cont'd)

Discontinued operations The Group	Note	Singapore Dollar 2015 $'000	US Dollar 2015 $'000	Australian Dollar 2015 $'000	British Pound 2015 $'000	Japanese Yen 2015 $'000	Euro 2015 $'000
Financial Assets							
Trade and other receivables	11	1,316	370	406	225	-	-
Deposits	12	60	-	-	-	-	-
Cash and bank balances	15	-	-	-	-	-	-
		1,376	370	406	225	-	-
Financial Liabilities							
Trade payables	23	1,225	18	-	-	-	10
Other payables and accruals	24	2,173	-	-	-	-	-
Amounts due to directors	25	4,382	-	-	-	-	-
Loans and borrowings	19	1,530	970	182	-	-	-
Finance lease liabilities	20	11	-	-	-	-	-
		9,321	988	182	-	-	10
Net currency exposure on financial assets and (financial liabilities)		(7,945)	(618)	224	225	-	(10)

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.2 Currency risk (cont'd)

Discontinued operations **The Company**	**Note**	Singapore Dollar **2015** **$'000**	US Dollar **2015** **$'000**	Australian Dollar **2015** **$'000**	British Pound **2015** **$'000**	Japanese Yen **2015** **$'000**	Euro **2015** **$'000**
Financial Assets							
Trade and other receivables	11	379	1	208	53	-	-
Deposits	12	60	-	-	-	-	-
Cash and bank balances	15	-	-	-	-	-	-
		439	1	208	53	-	-
Financial Liabilities							
Trade payables	23	1,163	18	-	-	-	10
Other payables and accruals	24	2,110	-	-	-	-	-
Amounts due to directors	25	4,382	-	-	-	-	-
Loans and borrowings	19	1,191	970	182	-	-	-
Finance lease liabilities	20	11	-	-	-	-	-
		8,857	988	182	-	-	10
Net currency exposure on financial assets and (financial liabilities)		(8,418)	(987)	26	53	-	(10)

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38 Financial risk management (Cont'd)

38.2 Market risk (cont'd)

38.2.2 Currency risk (cont'd)

Sensitivity analysis for foreign currency risk
A 5% strengthening/weakening of the above currencies against the respective functional currencies of the Group entities at period/year ended would have increased/decreased loss before tax and increased/decreased equity by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	Increase/(Decrease)			
	-----31 December 2015----		----30 September 2014----	
Continuing operations	Loss before tax $'000	Equity $'000	Loss before tax $'000	Equity $'000
The Group				
United States dollar	2	(2)	66	(66)
Australian dollar	1	(1)	(13)	13
British Pound	-	-	(14)	14
Japanese Yen	38	(38)	-	-
The Company				
United States dollar	2	(2)	(46)	46
Australian dollar	1	(1)	(9)	9
British Pound	-	-	(14)	14

Sensitivity analysis for foreign currency risk exposure to the discontinued operations is as follows:

	Increase / (Decrease)	
	-----31 December 2015----	
	Loss before tax $'000	Equity $'000
The Group		
United States dollar	(31)	**31**
Australian dollar	11	**(11)**
British Pound	11	**(11)**
Euro	(1)	**1**
The Company		
United States dollar	(49)	**49**
Australian dollar	1	**(1)**
British Pound	3	**(3)**
Euro	(1)	**1**

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38 Financial risk management (Cont'd)

38.3 Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk. In addition, receivable balances and payment profile of the debtors are monitored on an ongoing basis. The Group also uses factoring and credit insurance or request customers' letters of credit to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individual significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, there is no trade receivable arising from the continuing operations. As at 30 September 2014, five trade receivables account for approximately 33% of total trade receivables. These trade receivables are creditworthy counterparties with good track record of credit history. Other than as disclosed in Note 11 to the financial statements, management believes that no additional credit risk lies in the Company's trade and other receivables.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

Cash and cash equivalents are held with financial institutions of high credit ratings.

For the discontinued operations, at the reporting date, five trade receivables of the discontinued operations account for approximately 38% of total trade receivables. These trade receivables are creditworthy counterparties with good track record of credit history.

The credit risk for trade and other receivables of discontinued operations is as follows:

	The Group 31 December 2015	The Company 31 December 2015
	$'000	$'000
By geographical areas		
Asia Pacific	1,267	393
North America	163	-
Europe and Africa	887	248
	2,317	641

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38 Financial risk management (Cont'd)

38.3 Credit risk (Cont'd)

The age analysis of trade and other receivables for discontinued operations is as follows:

	The Group 31 December 2015 $'000	The Company 31 December 2015 $'000
Not past due and not impaired	1,531	3
Reclassified to assets held –for- sale	(1,531)	(3)
Balance at end	-	-

Financial assets associated with the trade and other receivables that are past due but not impaired are as follows:

	The Group 31 December 2015 $'000	The Company 31 December 2015 $'000
Past due but not impaired		
Less than 30 days	392	271
30 to 60 days	197	169
61 to 90 days	141	142
More than 90 days	56	56
	786	638

As the discontinued operations do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

38.4 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain sufficient cash and continues of funding through an adequate amount of committed credit facilities.

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38 Financial risk management (Cont'd)

38.4 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities of the continuing operations based on contractual undiscounted cash flows:

The Group	Carrying amount $'000	----Contractual undiscounted cash flows---- Total $'000	Within 1 year $'000	Within 2 to 5 years $'000
As at 31 December 2015				
Other payables and accruals	**449**	**449**	**449**	**-**
	449	**449**	**449**	**-**
As at 30 September 2014				
Trade payables	2,224	2,224	2,224	-
Other payables and accruals	1,601	1,601	1,601	-
Loans and borrowings	4,140	4,284	4,284	-
Finance lease liabilities	31	33	20	13
Amounts due to directors	7,035	7,242	7,242	-
	15,031	15,384	15,371	13

The Company	Carrying amount $'000	----Contractual undiscounted cash flows---- Total $'000	Within 1 year $'000	Within 2 to 5 years $'000
As at 31 December 2015				
Other payables and accruals	**431**	**431**	**431**	**-**
	431	**431**	**431**	**-**
As at 30 September 2014				
Trade payables	2,224	2,224	2,224	-
Other payables and accruals	1,590	1,590	1,590	-
Loans and borrowings	4,140	4,284	4,284	-
Finance lease liabilities	31	33	20	13
Amounts due to directors	7,035	7,242	7,242	-
	15,020	15,373	15,360	13

The table below analyses the maturity profile of the discontinued operations' financial liabilities based on contractual undiscounted cash flows:

The Group	Carrying amount $'000	----Contractual undiscounted cash flows---- Total $'000	Within 1 year $'000	Within 2 to 5 years $'000
As at 31 December 2015				
Trade payables	**1,253**	**1,253**	**1,253**	**-**
Other payables and accruals	**2,173**	**2,173**	**2,173**	**-**
Loans and borrowings	**2,682**	**2,785**	**2,785**	**-**
Finance lease liabilities	**11**	**12**	**5**	**7**
Amounts due to directors	**4,382**	**4,565**	**4,565**	**-**
	10,501	**10,788**	**10,781**	**7**

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38 Financial risk management (Cont'd)

38.4 Liquidity risk (cont'd)

The Company	Carrying amount $'000	----Contractual undiscounted cash flows---- Total $'000	Within 1 year $'000	Within 2 to 5 years $'000
As at 31 December 2015				
Trade payables	**1,191**	**1,191**	**1,191**	**-**
Other payables and accruals	**2,110**	**2,110**	**2,110**	**-**
Loans and borrowings	**2,343**	**2,424**	**2,424**	**-**
Finance lease liabilities	**11**	**12**	**5**	**7**
Amounts due to directors	**4,382**	**4,565**	**4,565**	**-**
	10,037	**10,302**	**10,295**	**7**

38.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. The Group and the Company do not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

The discontinued operations do not hold any quoted or marketable financial instruments.

39 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly reviews and manages its equity and debt capital structure to ensure optimal capital management and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group and the Company manage their equity and debt capital structure and make adjustments to them, whenever necessary, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial period ended 31 December 2015 and year ended 30 September 2014.

The Group currently does not adopt any formal dividend policy.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group monitors capital using Gearing Ratio, which is total liabilities divided by total equity.

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39 Capital management

	31 December 2015 $'000	30 September 2014 $'000 (Restated)	1 October 2013 $'000
Total liabilities (A)	**13,413**	15,046	14,967
Total equity (B)	**23,272**	30,817	18,098
Gearing ratio (times) (A)/(B)	**0.58**	0.49	0.83

40 Fair values of financial instruments

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability.

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

<u>Financial instruments whose carrying amounts approximate fair value</u>
The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, amounts due from associate, cash and cash equivalents, amounts due to directors, amounts due to subsidiary, loans and borrowings, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

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40 Fair values of financial instruments (Cont'd)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Obligation under finance leases
Set out below is a comparison by category of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements at other than fair value:

	Carrying amount		Estimated fair value	
	31 December 2015 $'000	30 September 2014 $'000	**31 December 2015 $'000**	30 September 2014 $'000
Financial liabilities				
Obligations under finance leases	**12**	32	**11**	31
	12	32	**11**	31

The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at the weighted average of effective interest rate of these finance leases.

Fair value measurement of non-financial instruments
The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2015 and 30 September 2014:

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2015				
Leasehold land and building	**-**	19,500	**-**	19,500
30 September 2014				
Leasehold land and building	-	22,000	-	22,000

Fair value of the Company's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuer. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee at each reporting date.

Further information is set out below.

Leasehold land and building (Level 2)

Leasehold land and building is carried at fair values at the end of the reporting period as determined by independent professional valuer. The valuation is based on Direct Comparison Method and Income Approach in arriving at the fair value of the properties. The Direct Comparison Method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the leasehold land and buildings. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

There were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy during the financial period ended 31 December 2015 and year ended 30 September 2014.

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41 Prior year adjustment

The Group's subsidiary, Craft Print International Pty Ltd, has been deregistered from the companies registry in Australia since December 2013.

The correction of error has been accounted for retrospectively in accordance with FRS 8. The effects of the correction of the above error are disclosed below:

The Group	30 September 2014 (As previously reported) $'000	Correction of error $'000	30 September 2014 (As restated) $'000
Statement of financial position			
Property, plant and equipment	24,881	(8)	24,873
Prepayments	41	(1)	40
Cash and bank balances	14,127	(40)	14,087
Other payables and accruals	(1,608)	7	(1,601)
Finance lease liabilities - current	(44)	13	(31)
Translation reserve	13	(13)	-
Accumulated losses	20,409	42	20,451

The Group	Year ended 30 September 2014 (As previously reported) $'000	Correction of error $'000	Year ended 30 September 2014 (As restated) $'000
Statement of comprehensive income			
Employee benefits expense	(4,323)	88	(4,235)
Depreciation of property, plant and equipment	(1,396)	6	(1,390)
Operating lease expense	(1,142)	8	(1,134)
Other expenses	(2,190)	(146)	(2,336)
Finance costs	(374)	2	(372)

The Company	30 September 2014 (As previously reported) $'000	Correction of error $'000	30 September 2014 (As restated) $'000
Statement of financial position			
Subsidiaries	44	(44)	-
Accumulated losses	20,462	(19)	20,443
Amount due to related corporations	(63)	63	-

The correction of the above error has no material impact on the earnings per share.

42 Comparatives

The Company changed its financial year end from 30 September to 31 December and accordingly, the financial statements for the current period will cover a period of 15 months from 1 October 2014 to 31 December 2015, and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in equity, statement of cash flow and the related notes are not comparable.

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43 Events after end of reporting period

The Group and the Company

1. On 14 January 2016, the Company entered into an agreement for the sale of certain machinery and equipment and operating leases of equipment used for the Printing Business to a third party. The consideration to be received by the Company under this agreement is S$1.85 million.

2. On 29 February 2016, the Company's indirect subsidiary Touen Japan Co., Ltd ("Touen Japan") which was previously wholly owned by the Company's 51% owned subsidiary, OSC, has received approval for the increase in its issued and paid up capital to JPY85,000,000 via the issue of new stock for JPY5,000,000 to Mr Zhang Wenqian. After the capital increase, Touen Japan will be 94.12% owned by OSC and 5.88% owned by Mr. Zhang Wenqian. Mr. Zhang Wenqian will also take up a senior management position in Touen Japan.

3. On 24 March 2016, the Company issued and allotted 35,000,000 and 185,000,000 ordinary shares to Mr Sam Kok Yin and Mr. Shi Jiangang respectively at the price of $0.05 each in the capital of the Company, following the automatic conversion of $11,000,000 outstanding Convertible Bonds due in 2016. As of the date of this report, 280,000,000 non-transferrable convertible bonds (Note 17) has been fully converted to ordinary shares. As a result, the number of issued and paid-up shares in the capital of the Company increased from 248,000,000 ordinary shares to 468,000,000 ordinary shares.