Lindeteves - Jacoberg Limited

A YEAR OF STABILITY AND GROWTH

ANNUAL REPORT **2014**

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CORPORATE PROFILE

Lindeteves-Jacoberg Limited is an established distributor of electric motors for the global industrial market. Our trademark **Brook Crompton** brand has been at the forefront of major technological breakthroughs in this arena, and is active in the development of high-efficiency electric motors that also fulfil client needs for reliability and cost-effectiveness.

Through its commitment to quality and service, the Group has forged long-standing relationships with leading customers around the world. Always ready to devise solutions that satisfy the unique requirements of every client, we offer robust and versatile products that are widely deployed in sectors ranging from marine, mining and oil & gas to HVAC (heating, ventilation, air conditioning).

To bolster our position in key regions and facilitate our expansion to new markets, we have taken decisive steps to strengthen our supply chain and distribution channel. They include working with leading industry suppliers to offer high-performance products that can be adapted to meet different needs and budgets. We are also adding new warehouses with sophisticated modification lines, to give clients all the support they require.

Our expanded sales and marketing teams are moving rapidly to widen our client base across the continents. Under the flagship of **Brook Crompton**, *Brook Crompton UK Limited* covers the markets in the United Kingdom, the Middle East, North Africa and Continental Europe; *Brook Crompton USA, Inc* and *Brook Crompton Limited (Canada)* covers the North America market and *Brook Crompton Asia Pacific Pte Ltd* covers the Asia Pacific market.

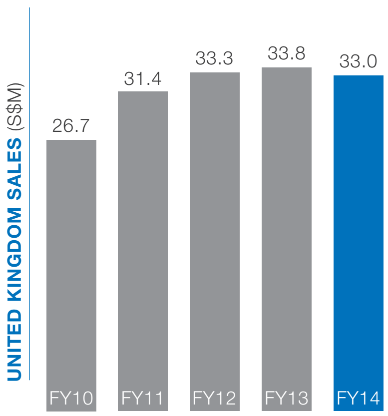
A YEAR OF STABILITY AND GROWTH

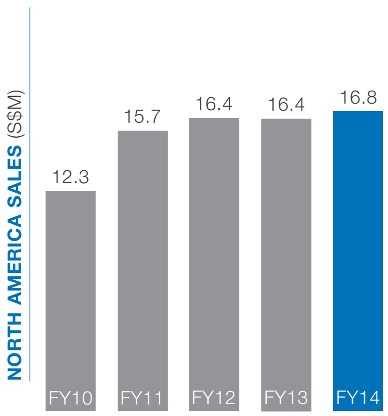
Having emerged from the turbulent years and attained **Sustainability**, the Group has gained the **Stability** to weather the competitive business environment and work towards growth, and the **Ability** to deliver quality product and services with the support of its reliable supply chain, established sales channel, backed up by its team of dedicated workforce.

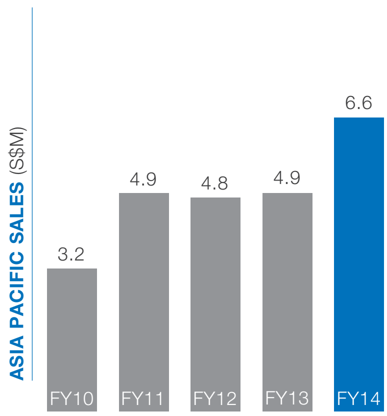
FINANCIAL HIGHLIGHTS

	FY2010	FY2011	FY2012	FY2013	FY2014
INCOME STATEMENT (S$'000)					
Turnover	42,144	52,019	54,387	55,179	56,326
Profit/(Loss) from continuing operations	4,878	(4,259)	17,851	9,028	(16,593)
Profit/(Loss) from discontinuing operations	123,390	–	–	–	–
Total Profit/(Loss) attributable to shareholders	**128,268**	**(4,259)**	**17,851**	**9,028**	**(16,593)**
STATEMENT OF FINANCIAL POSITION (S$'000)					
Non-current assets	3,001	2,475	2,616	6,613	5,170
Current assets	19,013	27,336	30,215	31,414	34,578
Current liabilities	29,884	42,281	17,179	14,440	14,038
Non-current liabilities	807	498	9,482	6,893	3,538
Shareholders' fund	(8,677)	(12,968)	6,170	16,694	22,172
STATEMENT OF CASH FLOWS (S$'000)					
Net cash generated from/(used in) operating activities	467	(5,139)	5,691	6,134	8,001
Net cash generated from/(used in) investing activities	6,295	(54)	(298)	(149)	155
Net cash (used in)/generated from financing activities	(2,307)	4,423	(3,517)	(4,654)	(3,612)
Cash & cash equivalents at the beginning of financial year	(3,716)	1,219	465	2,378	4,037
Effect of exchange rate fluctuation on cash held	480	16	37	328	21
Cash & cash equivalents at the end of financial year	**1,219**	**465**	**2,378**	**4,037**	**8,602**

SALES BY GEOGRAPHICAL SEGMENT







Notes for FY2010
Profit and from discontinued operations included manufacturing segment and gain arising from disposal of manufacturing plants.

CORPORATE STRUCTURE

Lindeteves - Jacoberg Limited

- **Europe**
  - Brook Crompton UK Limited
- **North America**
  - Brook Crompton USA, Inc
  - Brook Crompton Limited (Canada)
- **Asia Pacific**
  - Brook Crompton Asia Pacific Pte Ltd

Note: All are wholly-owned subsidiaries of the Company

GEOGRAPHIC PRESENCE

CHAIRMAN STATEMENT

> TOGETHER WITH OUR STRATEGIC PARTNERS, WE CAN TAP ON ONE ANOTHER'S STRENGTHS AND CREATE IMMENSE SYNERGIES

DEAR VALUED SHAREHOLDERS,

Despite the volatile market conditions in FY2014, the Group continued to make good headway in building our global motor distribution business and laying a firm foundation for stability and long-term sustainable growth.

Financially, we grew our operational profit and further strengthened our balance sheet. Operationally, we strengthened distribution channels, forged stronger supplier partnerships, and stabilised processes that were implemented last year to support our growing operations. Further growth was effected in the US and Southeast Asia as we leveraged the strong Brook Crompton global brand name to extend our reach. Across the US continent, we strengthened our sales force and improved warehousing logistics capabilities. To rebuild sales in Asia Pacific which shows promising economic growth projections, we successfully renewed cooperation with business partners in the region.

Building on our achievements in FY2014, we are energised to go forward. With strategic infrastructure in place, established supply chains, an extensive customer base spanning varied industries, and a strong network of reliable and high quality suppliers, the Group is firmly set on the path towards sustainable growth.

The Group's focus is to broaden client base and open up new arenas for expansion. We endeavour to gain a stronger foothold in Asia Pacific, South Africa, the Middle East and the US by channelling more resources to renew old ties and pursue new leads. At the same time, we will widen our product portfolio by extending product range and adding new products, and enhance our modification services to create more value-add.

Closer relationships with our major shareholders and strategic partners - ATB and Wolong Group - will be forged to further augment supply chains and sales channels. ATB and Wolong Group are reputable manufacturers of electric motors, while Lindeteves Jacoberg has a well-recognised Brook Crompton brand and established distribution network globally. Together, we can tap on one another's strengths and create immense synergies.

Looking ahead, the global economic headwinds, coupled with the recent slide in fuel prices may impact sales from our customers, particularly from the oil and gas sector. The road ahead will not be easy, but we are confident that we have the necessary infrastructure and capabilities to grow the Company in a sustainable manner.

Acknowledgements and appreciation

Please join me in welcoming Ms Chen Yingzhu who assumed the role of Executive Director and Chief Executive Officer with effect from 1 March 2015. Ms Chen replaces Mr Wolfgang Kloser who stepped down from the Board in February 2015. On behalf of the Board of Directors, I would like to express my appreciation to Mr Kloser for his invaluable contributions to the Group. During his tenure as Director and CEO, he reshaped an indebted and unprofitable group on the watchlist of the SGX into a respectable and growing company. With Ms Chen as a director, we have improved the gender diversity in the boardroom, which is in line with SGX's call for listed companies to have greater board diversity. I look forward to working closely with Ms Chen to take the Group to new levels.

I would also like to take this opportunity to thank our management and staff for another year of hard work which is steadily bearing fruits. To our clients and business partners, we are grateful for your continued support. To our shareholders, thank you for believing in our business model and strategy.

Andreas Schindler
Chairman

CEO STATEMENT

> THE IMPROVED OPERATING PERFORMANCE CONTINUED TO STRENGTHEN SHAREHOLDERS' FUND

FINANCIAL REVIEW

Financial Performance

For the twelve months ended 31 December 2014 (FY 2014), Lindeteves-Jacoberg Limited and its subsidiaries (the Group) registered continued improvement in sales, which increased 2.1% to S$56.3 million. This was driven by growth of 33.4% and 8.5% from Brook Crompton Asia Pacific and Brook Crompton USA respectively, partially offset by lower revenue from Brook Crompton Canada and Brook Crompton UK.

The UK remained the Group's largest revenue contributor, accounting for 58.5% of total sales, while North America maintained its share at 29.8%. From Asia Pacific, revenue contribution as a percentage of total sales grew from 8.9% last year to 11.7% driven by continued strong demand.

Gross profit dipped 1.6% to S$20.1 million, while gross profit margin declined 1.4% to 35.5%, mainly attributed to the UK sector which enjoyed a more favourable sales mix in the preceding year.

Total expenses increased from the previous S$16.1 million to S$37.0 million due to a one-time expense of S$22.6 million arising from the loss on liquidation of some dormant subsidiaries. This expense item was a result of reclassification of foreign currency translation, from Equity to the Income Statement and had no impact on the Group's cash flow and net assets. Excluding this exceptional item, total expenses decreased to S$14.4 million from the previous S$16.1 million due to substantial reduction in finance expenses. The depreciating Euro against S$ had contributed to forex gain in relation to a loan payable to intermediate holding company, Wolong Investment Gmbh. With improved cash flow, the Group made early repayment of the debt in tranches, resulting in interest savings. The remaining loan quantums of S$3.2 million and S$3.1 million, which are due in 2015 and 2016 respectively, can be repaid comfortably. On operational costs, administrative expenses decreased 1.6% to S$6.4 million despite higher revenue. Distribution and marketing expenses, however, climbed 8% with higher sales in the US and Asia Pacific and increased head count.

Excluding the above-mentioned liquidation loss, profit before tax of S$7.1 million was better than last year's S$5.3 million.

Cash Flow and Balance Sheet Highlights

During the year, the Group made a concerted effort to reduce old stocks and was able to write back some impairment. Due to continuing operational profitability and active capital management, net cash generated from operating activities strengthened from S$6.1 million last year to S$8.0 million, out of which S$3.5 million went towards the partial repayment of the debt obligation owing to Wolong Investment Gmbh. As at 31 December 2014, net cash position more than doubled to S$8.6 million, while net assets position was further lifted to S$22.2 million, from the previous S$16.7 million due to continuing profitability. With shareholders' fund rising to S$22.2 million from S$16.7 million previously, equity ratio (shareholders' funds to total assets) improved from 43.9% to 55.8%.

CEO STATEMENT

BUSINESS REVIEW

North America

Over the last two years, significant investments were made to strengthen the Group's sales force in the US and deepen its ties with distributors. This move, along with a more favourable economic climate in the second half of FY2014, led to a 8.5% sales growth in the US market. During the year, the Group also increased the number of bigger customers (Original Equipment Manufacturers – OEMs) to support its US operations, and added more third party warehouses in cities such as Dallas and Memphis.

A key growth driver in North America was the launch of Brook Crompton W series Motors last year. The range of W series Motors, which are produced in China and manufactured according to the highest quality standards, have been well-received by distributors and customers. The cost-effective motors offer the same degree of flexibility that characterises the global Brook Crompton brand of motor products, and will help the Group to further extend its presence in the region. Distribution of these motors is supported by the Group's extensive warehouse presence in Toronto, Chicago and Cleveland, as well as in other areas operated by distributors across the US continent. To cope with the anticipated growth in sales, the Group will continue to extend its warehousing network.

Asia Pacific

Notwithstanding the keen industry competition, the Asia Pacific region, with its promising economic growth projections, offers opportunities for the Group. Steps have been taken to break into new markets like Australia, New Zealand and South Korea. The Group will also keep an active lookout to penetrate developing markets.

To kickstart the momentum in rebuilding sales, the Group successfully renewed cooperation with a New Zealand-based distributor, and sealed an agreement with Petronas in Malaysia for Brook Crompton to be one of the five certified electric motor suppliers to participate in tenders organised by the national oil company. Moving ahead, efforts will be intensified to re-establish contacts in Australia and other Asian region. The Group will also tap on the strengths of its major shareholder, Wolong Electric Group Co Ltd to widen its Asia Pacific network.

The United Kingdom and Middle East

To improve sales in the UK, the Group intends to extend its geographical reach beyond the shores of UK which is already a mature market. Potential markets to expand into include the Middle East, North and South West Africa.

From Stability to Sustainable Growth

Having spent the past few years stabilising operations and putting the necessary building blocks, a sturdy foundation has been formed for the Group to pursue sustainable growth.

The Group will remain focused in growing its global distribution business by improving supply chains, increasing customer value, optimising inventory levels, and boosting product portfolio. Notwithstanding the global economic headwinds and the recent slide in fuel prices which may have a short-term impact on operations, the Group is highly enthusiastic about fulfilling a mission: keeping the wheel of industry turning.

Wolfgang Kloser
Chief Executive Officer
28th February 2015

BOARD OF DIRECTORS

ANDREAS SCHINDLER,
CHAIRMAN,
NON-INDEPENDENT,
NON-EXECUTIVE DIRECTOR.

Mr Schindler was appointed as a Director of the Company and Chairman of the Board of Directors on 13 August 2012, after taking the helm at the Company's immediate holding company, ATB Austria Antriebstechnik AG ("ATB") as Chief Executive Officer in July 2012. He has been a pivotal member of the ATB management team since he joined the ATB Group in 2007, playing a key role in its restructuring. He also serves as Managing Director for some of ATB's operational units. Before joining the ATB Group, he held senior management positions at companies including Frantschach Packaging (now part of the Mondi Group) and Procter & Gamble. He earned a Masters in Business Administration from the Vienna University of Economics and Business after obtaining a diploma in electrical engineering from a technical college in Austria.

Mr Schindler is also a member of the Audit Committee and Remuneration Committee. He was last re-elected as a Director of the Company on 26 April 2013.

WOLFGANG KLOSER,
EXECUTIVE DIRECTOR CUM
CHIEF EXECUTIVE DIRECTOR,
Resigned on 28 February 2015.

Mr Kloser was appointed as a Director cum Chief Executive Officer ("CEO") of the Company on 17 January 2011 after he relinquished his position as Chief Financial Officer of the Company. He was the Head of Group Finance and Accounting at ATB Austria Antriebstechnik AG, a position he gradually relinquished after his appointment as the Company's CEO. Previously, he held leading positions as Head of Finance and Controlling at Duropack AG and Director of Corporate Finance at Mayr-Melnhof Karton AG. Subsequently, he specialised in controlling and finance at his own consulting firm. Mr Kloser holds a degree in economics and business administration from the University of Vienna.

Mr Kloser was also a member of the Nominating Committee during his tenure as CEO, both positions he relinquished on 28th February 2015. He left the Company to take on new responsibilities in the production of low voltage motors with the ATB group. He stays as an advisor for the Company up till 30 April 2015.

CHEN YINGZHU
EXECUTIVE DIRECTOR CUM
CHIEF EXECUTIVE OFFICER,
Appointed on 1 March 2015.

Ms Chen was appointed as the Director cum Chief Executive Officer of the Company on 1 March 2015. Before Ms Chen joined the Company, she served as the Chief Financial Officer of our immediate holding company, ATB Australia Antriebstechnik AG. She also held directorship in several companies within the ATB and Wolong group. Following her appointment in the Company, she relinquished all her positions in ATB and remains as Managing Director in Hong Kong Wolong Holding Group Co Ltd and Director of Wolong International (Hong Kong) Limited under the Wolong Group. She brought with her over twenty years of managerial experience whilst with the Wolong Electric Group, mainly in connection with the Wolong's international trade. Ms Chen received her degree in management and marketing at Zhejiang University, and the China Europe International Business School. Having been appointed as a director on 1 March 2015, she will be retiring pursuant to Article 108 of the Company's Articles of Association at the Company's forthcoming AGM scheduled on 27 April 2015. The Board has recommended to the shareholders her re-election at the forthcoming AGM.

Ms Chen is also a member of the Nominating Committee with effect from 1 March 2015.

BOARD OF DIRECTORS

MR VOLKER ZULECK,
INDEPENDENT DIRECTOR.

Mr Zuleck was appointed as a Director of the Company on 07 November 2008. He started his career as a solicitor at an international law firm in Dubai in the United Arab Emirates. He has worked in France, Germany and Austria, and has held leading positions in several international companies. He has also served as a freelance consultant to several major players in the chemical, engineering and pharmaceutical industries. He is currently working for Siemens Aktiengesellschaft Österreich in Vienna, Austria. Mr Zuleck holds a degree in law from Germany and a master degree in European business law. Mr Zuleck is the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee. He was last re-elected as a Director of the Company on 27 April 2012. He expressed his intention to retire at the forthcoming AGM. He shall cease to be a director after the conclusion of the AGM.

DR KNUT UNGER,
INDEPENDENT DIRECTOR.

Dr Unger was appointed as a Director of the Company on 01 August 2007. After completing his legal training in Germany, he participated in a European Community programme designed to help develop the judicial systems of emerging democracies in Eastern Europe. He has since worked as a solicitor in both Germany and Singapore. He is currently a partner at Luther LLP, where he primarily advises on European investment projects in Southeast Asia. He also serves on the advisory boards for various German and Austrian investments in Singapore, Malaysia and Hong Kong. Dr Unger holds a PhD in law from the University of Freiburg.

Dr Unger is also a member of the Audit Committee, Nominating Committee and Remuneration Committee. He was last re-elected as a Director on 26 April 2013.

MANAGEMENT TEAM

MR WOLFGANG KLOSER

(Resigned on 28 February 2015)

MS CHEN YINGZHU

(Appointed on 1 March 2015)

CHIEF EXECUTIVE OFFICER, LINDETEVES-JACOBERG LIMITED

The CEO plays a crucial role in steering the Group and stabilising its businesses, secures strategic growth, responsible for the Group's overall performance, and oversees alignment of business strategies of the major shareholders with the Group, for the objective of optimising resources to create synergies for all units.

MS ELAINE TAN BEE LIN

CHIEF FINANCIAL OFFICER, LINDETEVES-JACOBERG LIMITED

Ms Tan became Chief Financial Officer of the Company in January 2011. When she joined the Company as Group Financial Controller in 2008, she brought with her several years of experience in related fields at a statutory board, a listed company and a Big Four accounting firm. She is a Fellow of the Association of Chartered Certified Accountants in the UK and holds a Master of Business Administration from the University of Hull in Yorkshire, UK.

MR RICHARD EASON

CHIEF SALES OFFICER, LINDETEVES-JACOBERG GROUP

Mr Eason was appointed as Chief Executive Officer of Brook Motors Ltd (the subsidiary of Brook Crompton UK Limited) in April 2009, in charge of developing distribution markets in the UK, Europe and the Middle East. After the restructuring of the Lindeteves-Jacoberg Group in September 2010, he came under the direct employment of Brook Crompton UK Limited. He now holds the position as Chief Sales Officer, responsible for the sales strategies for the Group. He also oversees the overall operations in North America. Before joining the Group, he spent over 20 years in the electric motors and drives sector. Mr Eason holds a bachelor in environmental sciences from the Lancaster University in the UK.

MR PAUL HOPLEY

MANAGING DIRECTOR, BROOK CROMPTON UK LIMITED

Mr Hopley was appointed as Managing Director of Brook Crompton UK Ltd, the Group's largest revenue earner, in 2013 and is responsible for overseeing the sales administration, procurement, operations and finance in the UK. His previous engagements include the roles of Chief Operating Officer & Chief Finance Officer within the UK business. He has been employed in various Financial & Administrative roles with Brook Crompton in UK since first joining the company in 1977 and has extensive knowledge of its business operations.

MR GEORGE TAY

DIRECTOR, BROOK CROMPTON ASIA PACIFIC PTE LTD

Mr Tay became Director of Brook Crompton Asia Pacific (the former Western Electric Asia Pte Ltd) in 1992. Having been with the Lindeteves-Jacoberg Group since 1985, he has played a major role in developing its distribution operations and widening its market share in the Asian region. Mr Tay holds a bachelor in business administration, a diploma in electrical engineering and graduate diplomas in marketing and management studies.

MARKET REVIEW

> TODAY, THE DEMAND FOR CARBON EMISSION REDUCTION HAS CHANGED THE DYNAMICS OF THE MARKET, WITH A SHIFT IN FOCUS TOWARDS HIGH EFFICIENCY PRODUCTS.

INTRODUCTION

Electric motors are used in a widely varied range of industrial applications, including driving fans, pumps, compressors and conveyors across sectors that range from manufacturing to water treatment to building services.

Traditionally, demand has been driven by increasing automation and growth in the construction of power plants and manufacturing facilities across the globe. Today, the demand for carbon emission reduction has changed the dynamics of the market, with a shift in focus towards high efficiency products for new installations and the upgrading of existing plants.

SIZE, GROWTH & OUTLOOK

In 2013, following a fall in growth rate in 2012 to 5.7% from the previous 2 years of double digit growth, our core market - low voltage motors - achieved a growth of approximately 6.6% globally.

For the period 2009 to 2018, market studies by IHS indicate a compounded annual growth rate (CAGR) that varies significantly by region and product type. A total global market growth from approximately US$17 billion to US$20 billion has a spread of CAGR predictions from 55.5% for IE3 / Premium efficiency motors, to -18.8% for DC motors.

A contraction of 1.6% is expected in the IE1 / Standard Efficiency products as regulations for energy efficiency are introduced in more countries, but this category will still remain as the largest sector. IE3 / Premium Efficiency motors show the largest growth potential with an expectation that their sales will match those of IE1 / Standard Efficiency by 2018.

Offsetting the anticipated growth due to increased regulation of energy efficiency is the impact arising from developments in specific industrial segments.

The significant fall in oil price in 2014 has resulted in a noticeable impact on motor sales at the end of 2014 as companies engaged in oil exploration, extraction, production and downstream refining take the opportunity to address costs. Major projects have been deferred pending a recovery in the oil price, which is expected to take place in 2016. Whilst this will have an impact on the volume sold into the industry, the energy efficiency driver for the purpose of carbon reduction, not cost savings, will result in opportunities as customers upgrade their aging infrastructure.

Despite this, major oil companies are pressing ahead with their expansion plans, focusing on projects in the front end engineering and design (FEED) phase in relation to shale oil, shale gas, and other natural gas developments. The US government has sanctioned the Keystone Pipeline, and the Canadian Provincial government in British Columbia has approved the development of several LNG (liquid natural gas) export plants on their west coast. Asia Pacific's thirst for oil and gas continues, while significant developments are expected in Australia's energy sector, with large LNG reservoirs anticipated to be found in, or close to Australian territorial water.

The mining segment has suffered during the years of 2013 and 2014, but is now showing some signs of recovery. New coal mines have been granted environmental approval in Canada, and many countries, particularly China is investing heavily in coal to liquid, and coal to gas technologies to utilise their significant deposits of coal to supplement oil and gas imports.

Globally, the water treatment and purification segment continues to be of significant importance. Water is considered by many as the "new oil" and significant water investments are seen in the Middle East, Asia Pacific and Africa. The aging infrastructure of the water industry in Europe, and North America will also be a growth driver as water plant operators are forced to invest in energy efficiency and carbon reduction technologies, and to guarantee the "uptime" or availability of the processes.

Regionally, the continent of Africa shows high investment in infrastructure development. Roads, railways, ports, water treatment and purification sites are under construction to support the region's economic growth. This in turn drives the development of core industries such as oil and gas, and mining / quarrying to provide the required energy and raw materials.

Another area of growth is the Middle East. Whilst the traditional oil and gas business may not be enjoying high growth like in the past, projects in sectors such as water, food and beverage manufacturing, fertiliser production, cement production and aluminium refining will drive the economy.

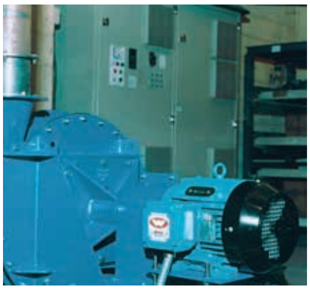
Shaping the future of electric motors, Brook Crompton is focused on the development of new products that will improve energy efficiency, lower costs of ownership and reduce the impact on the environment, thereby promoting greater sustainability.

Our products are found in every segment, in every region.

Richard Eason
Chief Sales Officer

PRODUCT
APPLICATION


PUMPS


FANS


MECHANICAL


PROCESSES

BROOK CROMPTON

SUPPLY
- Quality
- Reliability
- High-efficiency
- Renown

Lindeteves - Jacoberg Limited

SOLUTIONS
+
DISTRIBUTION
- Professional
- Personalized
- Accessible
- Versatile
- Efficient

FEEDBACK

KNOWLEDGE


MARINE


OIL & GAS


HVAC


MINING

CORPORATE GOVERNANCE REPORT

FINANCIAL YEAR ENDED 31 DECEMENBER 2014

OUR COMMITMENT TO CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance within the Company and its subsidiaries as part of its mission to enhance shareholder value for the long term. The Company's corporate governance policies and practices are guided by the corporate governance principles set out in the revised Code of Governance 2012 (the 'Code') issued on 2 May 2012.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board regularly reviews the Group's strategic business plans, the assessment of key risks by management and the financial performance of the Group to enable the Group to meet its objectives. The Board has overall responsibility for establishing and maintaining a framework of good corporate governance, including the adequacy of internal controls and risk management system. To keep pace with new laws, regulations, changing commercial risks and financial reporting standards, all directors attend specifically tailored briefings conducted by professionals from time to time.

Matters which are specially reserved for the Board's approval include, amongst others, major investments, corporate restructuring, merger and acquisition, major undertakings and disposal/acquisition of assets which are not in the ordinary course of business.

Principle 2: Board Composition and Guidance

The composition of the Board as at 31 December 2014 is as follows:

Andreas Schindler	Non-executive Chairman
Wolfgang Kloser	Executive Director cum Chief Executive Officer
Dr Knut Unger	Lead Independent Director
Volker Felix Zuleck	Independent Director

The Board meets at least four times a year in order to review the performance of the preceding quarter, projections and to review and approve announcements. Members of the Board meet and hold discussion regularly outside the scheduled meetings to deliberate on operational issues and provide continuing advice to management as the need arises. In the financial year ended 31 December 2014, four Board Meetings were held.

As at year ended 31 December 2014, The Board comprised four (4) members, three (3) of whom are non-executive directors, where two (2) are independent directors. To facilitate effective decision making the Board proactively seeks to maintain an appropriate balance and diversity of skills, experience, gender, and knowledge among the directors. The Board has strong industry knowledge, expertise and experience in areas of engineering, law, finance and business management. A short description of each director's background is presented under Board of Directors section of this annual report.

None of the directors have served for a period exceeding nine years. As and when directors serve beyond nine years, the Nominating Committee performs a rigorous review to assess the independence of the relevant directors.

The Board is supported by three committees, namely the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each committee has its own terms of reference setting out the scope of its duties.

The attendances of the Directors at the meetings of the Board and Board Committees during the financial year ended 31 December 2014 are as follows:

				Board of Directors				Audit Committee				Nominating Committee	Remuneration Committee
	Director	Appointment	Resignation	26-Feb-14	29-Apr-14	12-Aug-14	30-Oct-14	26-Feb-14	29-Apr-14	12-Aug-14	30-Oct-14	26-Feb-14	26-Feb-14
1	Dr Knut Unger (Appointed as Member of AC on 1 August 2007) (Appointed as Chairman of NC and RC on 1 Aug 2007 and redesignated to NC and RC member on 19 January 2009)	1.8.2007	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Volker Felix Zuleck (Appointed as AC, NC and RC Chairman on 19 Jan 2009)	7.11.2008	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Wolfgang Kloser (Appointed as an Executive Director and Chief Executive Officer and AC Member on 17 January 2011) (Appointed as NC member on 25 March 2013) (Resigned on 28 February 2015 and relinquish as the member of the NC Member)	17.01.2011	28.02.2015	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	N/A
4	Andreas Schindler (Appointed as Non-Independent Non-Executive Director and Chairman of Board and RC member on 13 August 2012) (Appointed as AC member on 25 March 2013)	13.08.2012		✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓

Principle 3: Role of Chairman and Chief Executive Officer (CEO)

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman, Mr Andreas Schindler, is a Non-executive Director responsible for leading the Board and facilitating its effectiveness, ensuring the Board members are provided with accurate, timely and clear information and approves the agenda of each Board meeting. The Chairman monitors communications between the Company and its shareholders, between Board and Management and between independent and non-independent directors with a view to encourage constructive relation and dialogue between them.

Since the Chairman is not an Independent Director, Dr Knut Unger was appointed to act as the Lead Independent Director and Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman, CEO or Chief Financial Controller has failed to provide satisfactory resolution, or when such contact is inappropriate.

The CEO during the year, Mr Wolfgang Kloser, was an Executive Director responsible for the business direction and operational decisions of the Group. The Chairman and the CEO are not related.

Principle 4 and 5: Board Membership and Performance

The composition of Nominating Committee (NC) is outlined below. Majority of the members including the NC Chairman, are independent and non-executive directors.

Mr Volker Felix Zuleck	Chairman of the NC, Independent Director
Dr Knut Unger	Member, Independent Director
Mr Wolfgang Kloser	Member, Executive Director

The NC meets as and when necessary, at least once a year. It has its own Terms of Reference approved by the Board that sets out its roles and responsibilities amongst the selection and nomination process and recommendation of appointing new directors to the Board and re-election of retiring directors at the Company's Annual General Meeting.

The Articles of Association of the Company provides for at least one-third of the directors except the Managing Director to retire and subject themselves to re-election by shareholders at every Annual General Meeting and for all directors to do so at least once in every three years.

In the nomination and selection process for new directors, the NC identifies the key attributes that an incoming director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group. The NC also reviews annually the following key performance criteria:

- Independence of the independent director
- Board performance in discharging principle functions
- Board committee performance
- Performance evaluation of individual director

The NC has a set of procedures in place for carrying out the evaluation of the Individual Directors, the Board and the Board Committees.

Under Guideline 4.4 of the Code, the Board is to determine the maximum number of listed company board representations which any Director may hold. The Board agreed with the NC not to fix the maximum number as it is of the opinion that it will depend on many factors including the demand of each listed company on the time of the director, the principal commitments the director has and his ability to contribute.

The information on each director's qualifications, shareholdings, relationships (if any), directorship and other principal commitments is presented in the "Board of Directors" and "Directors' Report" section of this annual report.

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GOVERNANCE REPORT
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Principle 6: Access to Information

Directors are furnished with sufficient information in the form of board papers prepared by the Management prior to board meeting in sufficient time for the directors' review. The Board has full access to the Management and the Company Secretary for records and other information as they may require. Each director may also seek such independent professional advice on any Company matters as he may require, at the Company's expense.

As and when there are changes to the Code of Corporate Governance, Listing Rules and the Companies Act, the Company Secretary will update the Board at the Board Meeting.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure of Remuneration

The composition of RC members as at 31 December 2014 is outlined below. All members are non-executive directors, the majority of whom, including the Chairman, is independent.

Mr Volker Felix Zuleck	Chairman of the RC, Independent Director
Dr Knut Unger	Member, Independent Director
Mr Andreas Schindler	Member, Non-independent Non-executive Director

The RC has its own Terms of Reference approved by the Board that sets out its roles & responsibilities.

The RC reviews and recommends to the Board for approval, the reasonableness of the contracts of service of executive director and key management personnel. The RC also reviews the appropriateness of compensation for independent directors, executive directors and key management. The remuneration package for executive director and key management consists of fixed and variable components. The fixed component comprises basic salary, pension fund, Central Provident Fund. The variable component comprises bonus that is linked to the performance of the individual, the Group as well as respective entity level.

The remuneration of the directors for the financial year 2014 is shown to the nearest thousand dollars and that of the key management personnel is shown in the band of S$250,000:

Directors	Remuneration S$ '000	Fee %	Salary %	Allowances %	Bonus %	Total %
Below S$250,000						
Mr Wolfgang Kloser*	179	Nil	67	Nil	33	100
Dr Knut Unger	45	100	Nil	Nil	Nil	100
Mr Volker Zuleck	45	100	Nil	Nil	Nil	100

* Note: resigned on 28 February 2015

Top 5 key management personnel	Fee %	Salary %	Allowances %	Bonus %	Post Employment Benefit %	Total %
Below S$250,000						
Elaine Tan	Nil	81	Nil	16	3	100
Simon Chung	Nil	64	11	16	9	100
George Tay	Nil	72	3	21	4	100
S$250,000 to S$500,000						
Mr Richard Eason	Nil	65	5	24	6	100
Mr Paul Hopley	Nil	58	7	22	13	100

There are no employees of the Company who are immediate family members of a director or CEO.

The aggregate total remuneration paid to the director and the top five key management are shown in note 27 of the Financial Statement.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability
Principle 12: Risk Management and Internal Controls
Principle 13: Internal Audit

The Board, with the assistance from the Audit Committee (AC), is responsible for the governance of risk by ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets, and determined the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.

The AC is guided by its terms of reference, the AC assists the Board in the following areas:

- Determine the Group's level of risk tolerance and risk policies.
- Oversee management in the formulation, update and maintenance of an adequate and effective risk management framework in addressing material risks including material financial, operational, compliance and information technology (IT) risks.
- Review the Group's risk profile regularly and the adequacy of any proposed action.
- Review the adequacy of the Group's internal controls, including financial, operational, compliance information technology controls at least annually.
- Review the effectiveness of the company's internal audit function.

Since FY 2012, the Group has in place an Enterprise Risk Management (ERM) Framework which governs the risk management process in the Group. Through this framework, risks capabilities and competencies are continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, inter alia, financial, operational, compliance and IT risks faced by the Group. The key risks of the Group are deliberated by the Management and reported to the AC. The AC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-a-vis the external and internal environment which the Group operates in.

Complementing the ERM framework is a Group-wide system of internal controls. The Group has in place a risk management process that requires the Group to perform a Control Self Assessment (CSA) to assess the effectiveness of their internal controls.

In addition, to ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. The internal audit function is outsourced to an internal audit professional firm where necessary. The Internal Auditors/the independent professional services providers report directly to the Chairman of the AC. To ensure adequacy of internal audit functions, the AC receives and approves the internal audit plan on an annual basis.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the CEO and CFO that, as at 31 December 2014:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances: and
- Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

Based on the review of the key risks identified through the ERM process, and the internal controls established and maintained by the Group, work performed by the consultants, reviews performed by management and the AC; and the aforesaid assurances from the CEO and CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and the risk management system were adequate as at 31 December 2014.

Principle 11: Audit Committee

The composition of AC as at 31 December 2014 is outlined below.

Mr Volker Felix Zuleck	Chairman of the AC, Independent Director
Dr Knut Unger	Member, Independent Director
Mr Andreas Schindler	Member, Non-independent Non-executive Director

The AC comprises three directors, the majority of whom, including the Chairman, are independent. All members of this Committee are non-executive. The Board is of the view that all the members of the AC are appropriately qualified to discharge their responsibilities.

The AC has its own Terms of Reference approved by the Board that sets out its roles & responsibilities.

The AC meets at least four times a year, primarily to review the Company's financial performance, projections and announcements of each quarter which are tabled to the Board. The AC meets on other occasions informally to deliberate on matters within its purview.

Apart from its terms of reference relating to risk management and internal controls stated above, the AC also undertakes the following:

- Review the external auditors' proposed audit scope and approach and ensure no restrictions or limitations have been placed on the scope. The AC also reviews all reports and recommendations from the external auditors.
- Review the quarterly and full year financial statements of the Company and the respective announcements before recommending to the Board for approval for release to the SGX-ST.
- Make recommendations to the Board regarding the appointment of the external auditors.
- Consider the independence of the external auditors annually, including reviewing the range of services provided in the context of all non-audit services bought by the Company, seeking to balance maintenance of objectivity and value for money. The audits of the Company and its Singapore incorporated subsidiaries are undertaken by KPMG LLP.
- Review Interested Party transactions.

The AC has the explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

During the financial year under review, the AC met with the external auditors once without the presence of the Management. The Company confirms compliance with Rule 712 and 715 of the Listing Manual in engaging KPMG LLP as the external auditors. The AC assesses the independence of the external auditors annually. The Audit Committee has reviewed the non-audit services rendered by the external auditors for the financial year ended 31 December 2014 as well as the fees paid, and is satisfied that the independence of the external auditors has not been impaired. The aggregate amount of the fees paid to the external auditors is disclosed under note 21 in the Notes to the Financial Statements. The AC has recommended the re-appointment of KPMG LLP as the Company's external auditors for the financial year ending 31 December 2014.

The Company has in place the whistle blowing policy.

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GOVERNANCE REPORT
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INTERESTED PERSON TRANSACTIONS (IPT)

The AC reviews the Group's IPT for assurance that the transactions are executed at normal commercial terms and do not prejudice the interests of the Group and its minority shareholders. At the Annual General Meeting held on 29 April 2014, shareholders of the Company approved a General Mandate to enable the Company, its subsidiaries and associated companies to enter into any transactions with ATB, Wolong Holding Group Co. Ltd and any of its associates and its group of subsidiaries.

The interested person transactions presented in the format pursuant to Rule 907 of the Listing Manual of the SGX-ST is tabled below:

Name of Interested Person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)**	
	YTD		**YTD**	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
General Transactions				
ATB Nordenham GmbH	**–**	–	**791**	966
ATB Sever d.o.o.	**–**	–	**228**	436
ATB Austria Antriebstechnik AG	**–**	–	**–**	105
ATB Tamel S.A.	**–**	–	**13,950**	15,695
ATB Schorch GmbH	**–**	–	**192**	127
Wolong Electric Group Co Ltd	**–**	–	**4,944**	2,816
			20,105	20,145

The Company regularly conducts independent check for compliance of Interested Person Transactions under the Group.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder rights and responsibility
Principle 15: Communication with shareholders

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business. The Company encourages shareholder participation during the Annual General Meeting (AGM) which is held in a central location in Singapore. Resolutions are passed through a process of voting by poll and shareholders are entitled to vote in accordance with established voting rules and procedures. The poll results for each resolution put forth are presented during the AGM.

The Company has a communication policy that allows the company to effectively communicate with its shareholders:

- Providing the shareholders in a timely manner, with balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to quarterly announcements of financial results, other price sensitive public reports and reports to regulators.
- Ensuring the Company regularly and in a timely manner conveys pertinent information, gathers views or inputs, and addresses shareholders' concerns. Such disclosures will be in a manner as required by applicable laws and requirements.
- Disclosing in the Company's annual report the number of board meetings held in the year, and meetings of specialised committees established by the Board. Board and committee meeting attendance represent a part and not the full reflection of the contributions of Board members to the Company.
- Enabling shareholders full opportunity to participate effectively and to vote and to communicate their views at Annual General Meetings. The Directors and external auditors are available to attend to any queries that the shareholders may have.
- Providing public access to websites of the Company and all its subsidiaries under Brook Crompton.

Minutes of the general meetings will be made available to the shareholders upon request.

DEALING IN SECURITIES

The Company has adopted its own internal codes in line with Rule 1207(19) of the Listing Manual of the SGX-ST applicable to all its officers in relation to dealings in the Company's securities. The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. In addition, the Directors and officers of the Company are discouraged from dealing in the Company's securities on short term considerations.

MATERIAL CONTRACTS

Saved as disclosed under Corporate Governance, in the Directors' Report and in the Financial Statements, the Company and its subsidiaries did not enter into any material contracts involving the interests of the directors or controlling shareholder during the financial year and no such material contracts still subsist at the end of the financial year.

FINANCIAL
CONTENTS

DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

DIRECTORS

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

Dr Knut Unger	
Mr Volker Felix Zuleck	
Mr Andreas Schindler	
Ms Chen Yingzhu	(Appointed on 1 March 2015)
Mr Wolfgang Kloser	(Resigned on 28 February 2015)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings registered in name of director	
	At beginning of the year	At end of the year
The Company		
Ordinary shares		
Dr Knut Unger	200,000	200,000
Mr Volker Felix Zuleck	500,000	500,000

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2015.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 27 to the financial statements, since the end of the last financial year, no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

Mr Volker Felix Zuleck (Chairman)	Independent
Dr Knut Unger	Independent
Mr Andreas Schindler	Non-Executive

The Audit Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

(i) assistance provided by the Company's officers to the internal and external auditors;

(ii) quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption; and

(iii) interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Chen Yingzhu
Director

Volker Felix Zuleck
Director

7 April 2015

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 29 to 82 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

Chen Yingzhu
Director

Volker Felix Zuleck
Director

7 April 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company
Lindeteves-Jacoberg Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Lindeteves-Jacoberg Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 82.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 April 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	4	**2,396**	2,380	**55**	56
Subsidiaries	5	**–**	–	**8,101**	8,101
Investment property	6	**–**	99	**–**	99
Intangible assets	7	**1**	4	**1**	4
Other receivables	8	**–**	–	**–**	–
Retirement benefit assets	16	**–**	48	**–**	–
Deferred tax assets	9	**2,773**	4,082	**–**	–
Non-current assets		**5,170**	6,613	**8,157**	8,260
Inventories	10	**13,260**	14,629	**–**	–
Trade and other receivables	11	**10,449**	10,307	**5,706**	5,598
Prepayments		**586**	482	**8**	2
Cash and cash equivalents	12	**10,283**	5,996	**1,471**	557
Current assets		**34,578**	31,414	**7,185**	6,157
Total assets		**39,748**	38,027	**15,342**	14,417
Equity					
Share capital	13	**149,642**	149,642	**149,642**	149,642
Accumulated losses		**(146,858)**	(130,123)	**(159,965)**	(164,909)
Other reserves	14	**19,388**	(2,825)	**18,650**	18,650
Equity attributable to owners of the Company/Total equity		**22,172**	16,694	**8,327**	3,383
Liabilities					
Borrowings	19	**11**	38	**–**	–
Loan from intermediate holding company	15	**3,001**	6,433	**3,001**	6,433
Retirement benefit liabilities	16	**173**	–	**–**	–
Deferred tax liabilities	9	**353**	422	**–**	–
Non-current liabilities		**3,538**	6,893	**3,001**	6,433
Borrowings	19	**1,708**	1,993	**–**	–
Loan from intermediate holding company	15	**2,927**	3,174	**2,927**	3,174
Trade and other payables, including derivatives	17	**9,049**	8,730	**949**	1,020
Current tax liabilities		**246**	421	**138**	407
Provision for warranty	18	**108**	122	**–**	–
Current liabilities		**14,038**	14,440	**4,014**	4,601
Total liabilities		**17,576**	21,333	**7,015**	11,034
Total equity and liabilities		**39,748**	38,027	**15,342**	14,417

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
Revenue	20	**56,326**	55,179
Cost of sales		**(36,200)**	(34,720)
Gross profit		**20,126**	20,459
Other income		**1,353**	945
Expenses:			
– Distribution and marketing		**(7,880)**	(7,288)
– Administrative		**(6,358)**	(6,460)
– Finance	22	**(137)**	(1,868)
– Others		**(22,621)**	(467)
(Loss)/profit before tax	21	**(15,517)**	5,321
Tax (expense)/credit	23	**(1,076)**	3,707
(Loss)/profit for the year, representing (loss)/profit attributable to owners of the Company		**(16,593)**	9,028
(Loss)/earnings per share			
Basic and diluted (loss)/earnings per share (cents)	24	**(2.3)**	1.3

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2014

	Note	2014 $'000	2013 $'000
(Loss)/profit for the year		**(16,593)**	9,028
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Retirement benefit plan remeasurements	16	**(194)**	780
Tax on items that will not be reclassified to profit or loss	9	**52**	(150)
		(142)	630
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences reclassified to profit or loss on liquidation of subsidiaries	21	**22,586**	10
Foreign currency translation differences – foreign operations		**(373)**	856
		22,213	866
Other comprehensive income for the year, net of tax		**22,071**	1,496
Total comprehensive income for the year, representing total comprehensive income attributable to owners of the Company		**5,478**	10,524

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

		Attributable to owners of the Company				
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Accumulated losses $'000	Total equity $'000
Group						
At 1 January 2013		149,642	18,650	(22,341)	(139,781)	6,170
Total comprehensive income for the year						
Profit for the year		–	–	–	9,028	9,028
Other comprehensive income						
Retirement benefit plan remeasurements	16	–	–	–	780	780
Foreign currency translation differences reclassified to profit or loss on liquidation of subsidiaries	21	–	–	10	–	10
Foreign currency translation differences – foreign operations		–	–	856	–	856
Tax on other comprehensive income	9	–	–	–	(150)	(150)
Total other comprehensive income		–	–	866	630	1,496
Total comprehensive income for the year		–	–	866	9,658	10,524
At 31 December 2013		149,642	18,650	(21,475)	(130,123)	16,694

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Accumulated losses $'000	Total equity $'000
		Attributable to owners of the Company				
Group						
At 1 January 2014		**149,642**	**18,650**	**(21,475)**	**(130,123)**	**16,694**
Total comprehensive income for the year						
Loss for the year		–	–	–	(16,593)	(16,593)
Other comprehensive income						
Retirement benefit plan remeasurements	16	–	–	–	(194)	(194)
Foreign currency translation differences reclassified to profit or loss on liquidation of subsidiaries	21	–	–	22,586	–	22,586
Foreign currency translation differences – foreign operations		–	–	(373)	–	(373)
Tax on other comprehensive income	9	–	–	–	52	52
Total other comprehensive income		–	–	22,213	(142)	22,071
Total comprehensive income for the year		–	–	22,213	(16,735)	5,478
At 31 December 2014		**149,642**	**18,650**	**738**	**(146,858)**	**22,172**

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

CONSOLIDATED STATEMENT OF
CASH FLOWS
YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from operating activities			
(Loss)/profit after tax		**(16,593)**	9,028
Adjustments for:			
Depreciation and amortisation		**208**	204
Tax expense/(credit)		**1,076**	(3,707)
Interest expense		**488**	667
Reversal of impairment losses on inventories		**(907)**	(229)
Loss on disposal of property, plant and equipment		**1**	–
Gain on disposal of investment property		**(344)**	–
Impairment losses recognised on trade and other receivables		**29**	14
Provision for warranty		**146**	123
Loss on liquidation of subsidiaries		**22,586**	10
Retirement benefit plan expense		**230**	255
Net change in fair value of derivatives		**222**	286
Net unrealised foreign exchange (gains)/loss		**(643)**	247
		6,499	6,898
Changes in:			
Inventories		**2,295**	1,179
Trade and other receivables		**(316)**	60
Prepayments		**(104)**	204
Trade and other payables, including derivatives		**(25)**	(1,707)
Provision for warranty		**(161)**	(90)
Cash from operating activities		**8,188**	6,544
Income tax refunded/(paid)		**18**	(195)
Retirement benefit contribution paid		**(205)**	(215)
Net cash generated from operating activities		**8,001**	6,134
Cash flows from investing activities			
Acquisitions of property, plant and equipment		**(285)**	(149)
Proceeds from disposal of property, plant and equipment		**12**	–
Proceeds from disposal of investment property		**428**	–
Net cash generated from/(used in) investing activities		**155**	(149)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from financing activities			
Repayment of finance lease		**(35)**	(35)
Repayment to intermediate holding company		**(3,482)**	(3,626)
Repayment to immediate holding company		**–**	(252)
Repayment to a related corporation		**–**	(632)
Interest paid		**(95)**	(109)
Net cash used in financing activities		**(3,612)**	(4,654)
Net increase in cash and cash equivalents		**4,544**	1,331
Cash and cash equivalents at 1 January		**4,037**	2,378
Effects of exchange rate fluctuations on cash held		**21**	328
Cash and cash equivalents at 31 December	12	**8,602**	4,037

Attributable net assets of subsidiaries liquidated during the year are as follows:

	Note	Group 2014 $'000	Group 2013 $'000
Liquidation			
Carrying amount of net asset liquidated		**–**	–
Loss on disposal	21	**(22,586)**	(10)
Foreign currency translation reserve realised		**22,586**	10
Cash and cash equivalents of subsidiary disposed		**–**	–
		–	–

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 April 2015.

1. DOMICILE AND ACTIVITIES

Lindeteves-Jacoberg Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of its registered office and principal place of business is 100 Cecil Street, #07-01/02 The Globe, Singapore 069532.

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in note 5 to financial statements.

The immediate holding company is ATB Austria Antriebstechnik AG ("ATB"), incorporated in Austria. The ultimate holding company is Wolong Electric Group Co., Ltd ("Wolong Electric"), incorporated in the People's Republic of China.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These 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.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these 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.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 9 – utilisation of tax losses
- Note 10 – valuation of inventories
- Note 11 – valuation of trade receivables

2.5 Changes in accounting policies

Subsidiaries

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

There is no impact to the Group's financial statements arising from the adoption of FRS 110.

Offsetting of financial assets and financial liabilities

Under the Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, to qualify for offsetting, the right to set off a financial asset and financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no financial impact to the Group's statement of financial position arising from the adoption of the Amendments to FRS 32.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

When the excess in negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Group.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operations (see below) which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation, are recognised in other comprehensive income, and are presented in the translation reserve in equity.

NOTES TO THE
FINANCIAL STATEMENTS

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings on freehold land	50 years
Leasehold land and buildings	Lease term, being not more than 50 years
Plant, machinery and office equipment	4 to 12 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Investment property

Investment property is property held either to earn rental income and/or for capital appreciation. Investment property is measured at cost on initial recognition and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Investment property (Continued)

Depreciation is calculated based on the cost of an investment property less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment property from the date that they are available for use.

The estimated useful lives of investment property for the current and comparative years are 50 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Measurement

Computer software licences that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives of computer software licences for the current and comparative years are 4 to 5 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. A write-down on cost is made when the cost is not recoverable or if the selling prices have declined below cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

Non-derivative financial assets of the Group comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables of the Group comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash balances. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

NOTES TO THE
FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial instruments (Continued)

Non-derivative financial liabilities (Continued)

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Group comprise loans and borrowings, and trade and other payables.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. The Group does not trade derivative financial instruments for speculative purposes.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. All changes in fair value are recognised in profit or loss immediately.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment (Continued)

Non-derivative financial assets (Continued)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

3.8 Impairment (Continued)

Non-financial assets (Continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

Warranty

A provision for warranty is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Employee benefits (Continued)

Defined benefit plans

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

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

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

Past service costs are recognised immediately in profit or loss.

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 or profit-sharing plans 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.

3.11 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue (Continued)

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

License fee income

License fee income is recognised upon sales of electric motors by related parties that bear the Group's trademark.

Commission income

Commission income is recognised upon sales of goods by related parties for customers introduced by the Group.

Dividend income

Dividend income is recognised on the date that the Group's right to receive payment is established.

3.12 Finance costs

Finance costs comprise interest expense on borrowings and net change in fair value of derivatives. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Tax expense (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflect the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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 taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Leases

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease.

This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specified asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The Group is assessing the potential impact of these standards and interpretations on its consolidated financial statements.

NOTES TO THE
FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings on freehold land $'000	Leasehold land and buildings $'000	Plant, machinery and office equipment $'000	Total $'000
Group				
Cost				
At 1 January 2013	2,746	205	7,848	10,799
Additions	–	–	149	149
Disposals	–	–	(79)	(79)
Effects of movements in exchange rates	(88)	10	420	342
At 31 December 2013	2,658	215	8,338	11,211
Additions	43	–	242	285
Disposals	–	–	(18)	(18)
Effects of movements in exchange rates	(101)	(3)	(90)	(194)
At 31 December 2014	**2,600**	**212**	**8,472**	**11,284**
Accumulated depreciation				
At 1 January 2013	726	180	7,425	8,331
Depreciation	45	20	120	185
Disposals	–	–	(79)	(79)
Effects of movements in exchange rates	(24)	11	407	394
At 31 December 2013	747	211	7,873	8,831
Depreciation	45	4	141	190
Disposals	–	–	(5)	(5)
Effects of movements in exchange rates	(29)	(3)	(96)	(128)
At 31 December 2014	**763**	**212**	**7,913**	**8,888**
Carrying amounts				
At 1 January 2013	2,020	25	423	2,468
At 31 December 2013	1,911	4	465	2,380
At 31 December 2014	**1,837**	**–**	**559**	**2,396**

4. **PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

	Plant, machinery and office equipment $'000
Company	
Cost	
At 1 January 2013	183
Additions	61
Disposals	(56)
At 31 December 2013	188
Additions	22
At 31 December 2014	**210**
Accumulated depreciation	
At 1 January 2013	175
Depreciation	13
Disposals	(56)
At 31 December 2013	132
Depreciation	23
At 31 December 2014	**155**
Carrying amounts	
At 1 January 2013	8
At 31 December 2013	56
At 31 December 2014	**55**

The carrying amount of property, plant and equipment held by the Group under finance lease amounted to $55,000 (2013: $82,000).

Security

As at 31 December 2014, properties of the Group with a carrying amount of $1,837,000 (2013: $1,911,000) were pledged as security to secure bank borrowings (note 19).

5. SUBSIDIARIES

	Company 2014 $'000	Company 2013 $'000
Equity investments, at cost	**64,487**	80,886
Impairment losses	**(56,578)**	(72,977)
	7,909	7,909
Discount implicit in interest-free loan to a subsidiary (note 11)	**192**	192
	8,101	8,101

Details of the significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest 2014 %	Ownership interest 2013 %
Brook Crompton UK Limited[1]	Distribution of electric motors	United Kingdom	**100**	100
Brook Crompton Limited[2]	Distribution of electric motors	Canada	**100**	100
Brook Crompton USA Inc[2]	Distribution of electric motors	United States of America	**100**	100
Brook Crompton Asia Pacific Pte Ltd[3]	Distribution of electric motors	Singapore	**100**	100

(1) Audited by KPMG LLP, United Kingdom
(2) Audited by KPMG LLP, Canada
(3) Audited by KPMG LLP, Singapore

Certain insignificant subsidiaries were liquidated during the year.

Movements in allowance for impairment losses in respect of investments in subsidiaries of the Company during the year are as follows:

	Company 2014 $'000	Company 2013 $'000
At 1 January	**72,977**	72,977
Reversal of impairment	**(16,399)**	–
At 31 December	**56,578**	72,977

During the year, the allowance for impairment losses of $16,399,000 was reversed due to the liquidation of certain subsidiaries.

6. INVESTMENT PROPERTY

	Group and Company	
	2014	2013
	$'000	$'000
Cost		
At 1 January	**898**	898
Disposal	**(898)**	–
At 31 December	**–**	898
Accumulated depreciation and impairment losses		
At 1 January	**799**	782
Depreciation	**15**	17
Disposal	**(814)**	–
At 31 December	**–**	799
Carrying amount		
At 31 December	**–**	99

Investment property comprises one office unit in the Philippines. During the year, the property was disposed at the net selling price of PHP15,336,000 (equivalent to $428,000).

As at 31 December 2013, the fair value of the investment property was $400,000 as determined by the directors.

7. INTANGIBLE ASSETS

	Group and Company	
	2014	2013
	$'000	$'000
Computer software licenses		
Cost		
At 1 January and 31 December	**46**	46
Accumulated amortisation		
At 1 January	**42**	40
Amortisation	**3**	2
At 31 December	**45**	42
Carrying amounts		
At 31 December	**1**	4

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8. OTHER RECEIVABLES – NON-CURRENT

	Company	
	2014	2013
	$'000	$'000
Amounts due from subsidiaries	**4,506**	4,427
Impairment losses	**(4,506)**	(4,427)
	–	–

The Company' exposure to foreign currency risk is disclosed in note 26.

The amounts due from subsidiaries are unsecured, interest-free and repayments are not expected within the next 12 months. The directors consider the amounts due from subsidiaries to approximate their fair values at the reporting date.

Movements in allowance for impairment losses in respect of other receivables of the Company during the year are as follows:

	Company	
	2014	2013
	$'000	$'000
At 1 January	**4,427**	4,346
Reversal of impairment losses	**–**	(5)
Effect of movements in exchange rates	**79**	86
At 31 December	**4,506**	4,427

9. DEFERRED TAX ASSETS AND (LIABILITIES)

Movements in deferred tax assets and liabilities of the Group during the financial year are as follows:

	At 1 January 2013 $'000	Recognised in profit of loss (Note 23) $'000	Recognised in other comprehensive income $'000	Effect of movements in exchange rates $'000	At 31 December 2013 $'000	Recognised in profit of loss (Note 23) $'000	Recognised in other comprehensive income $'000	Effect of movements in exchange rates $'000	At 31 December 2014 $'000
Group									
Deferred tax assets									
Provision	26	(25)	–	(1)	–	9	–	–	**9**
Retirement benefit assets	–	–	–	–	–	30	10	4	**44**
Tax losses carried forward	–	3,830	–	252	4,082	(1,323)	–	(39)	**2,720**
	26	3,805	–	251	4,082	(1,284)	10	(35)	**2,773**
Deferred tax liabilities									
Property, plant and equipment	(329)	(66)	–	13	(382)	16	–	13	**(353)**
Retirement benefit liabilities	110	–	(150)	–	(40)	–	42	(2)	**–**
	(219)	(66)	(150)	13	(422)	16	42	11	**(353)**

9. DEFERRED TAX ASSETS AND (LIABILITIES) (CONTINUED)

At 31 December, deferred tax assets relating to the following temporary differences have not been recognised:

	Group	
	2014	**2013**
	$'000	**$'000**
Provision	**63**	63
Unutilised tax losses	**4,871**	5,373
	4,934	5,436

The unutilised tax losses of the Group are available for carry forward and set-off against future taxable profits subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Group operates. Tax losses of $1,229,000 (2013: $1,625,000) expire between 2025 and 2030. The remaining temporary differences do not expire under current tax legislation.

In accordance with the accounting policy of the Group as set out in note 3.13, deferred tax benefits amounting to approximately $839,000 (2013: $924,000) have not been recognised in the financial statements.

10. INVENTORIES

	Group	
	2014	**2013**
	$'000	**$'000**
Goods for resale	**12,946**	14,323
Spare parts	**314**	306
	13,260	14,629

In 2014, the cost of inventories recognised as an expense and included in cost of sales amounted to $36,978,000 (2013: $34,783,000).

In 2014, as a result of management's reassessment of the margins earned on sales of aged inventories, allowance for inventories write down of $907,000 (2013: $229,000) for the Group was reversed. The reversal is included under cost of sales.

Inventory obsolescence

A review is made periodically of inventory for excess stocks, obsolescence and decline in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the products. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the reporting date. Possible changes in these estimates could result in revisions to the valuation of inventory.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
– non-related parties	**10,607**	10,488	**–**	–
– related corporations	**128**	83	**–**	–
Impairment losses	**(466)**	(475)	**–**	–
	10,269	10,096	**–**	–
Non-trade amounts due from:				
– subsidiaries	**–**	–	**5,548**	2,756
– related corporations	**92**	133	**87**	20
Loan to a subsidiary	**–**	–	**–**	2,758
Sundry receivables	**87**	68	**68**	52
Impairment losses	**(2)**	(2)	**–**	–
	85	66	**68**	52
Goods and services tax recoverable	**3**	12	**3**	12
	10,449	10,307	**5,706**	5,598

The Group's and the Company's exposure to credit and foreign currency risks are disclosed in note 26.

Non-trade amounts due from subsidiaries and related corporations are unsecured, interest-free and repayable on demand.

The loan to subsidiary has been fully repaid in 2014. It was unsecured and interest-free. Accordingly, this interest-free loan was stated at fair value at inception and the difference between the fair value and the loan amount at inception was recognised as additional investment in the subsidiary (note 5). Fair value at inception was determined based on expected future principal cash flows, discounted at an interest rate of 5% per annum. The loan is subsequently measured at amortised cost using the effective interest method. The unwinding of the difference was recognised as interest income in profit or loss over the term of the loan.

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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of trade and other receivables at the reporting date is:

	Gross 2014 $'000	Impairment losses 2014 $'000	Gross 2013 $'000	Impairment losses 2013 $'000
Group				
Not past due	**6,199**	–	**6,450**	–
Past due 0 – 90 days	**4,010**	–	**3,757**	–
Past due 91 – 180 days	**217**	(30)	**(26)**	–
More than 180 days past due	**491**	(438)	**603**	(477)
	10,917	(468)	**10,784**	(477)
Company				
Not past due	**4,320**	–	**4,842**	–
Past due 0 – 90 days	**318**	–	**194**	–
Past due 91 – 180 days	**248**	–	**114**	–
More than 180 days past due	**820**	–	**448**	–
	5,706	–	**5,598**	–

Based on historical payment behaviours and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available, the Group and the Company believe that the unimpaired amounts are still collectible.

Source of estimation uncertainty

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and determine the amount of impairment loss as a result of the inability of the debtors to make the required payments. The Group bases the estimates on the ageing of the trade and other receivables balance, credit worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than that estimated.

Movements in allowance for impairment losses in respect of trade and other receivables of the Group and the Company during the year are as follows:

	Note	2014 $'000	2013 $'000
Group			
At 1 January		**477**	450
Impairment losses recognised	21	**29**	14
Impairment utilised		**(1)**	(22)
Effect of movements in exchange rates		**(37)**	35
At 31 December		**468**	477

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2014 $'000	2013 $'000
Company		
At 1 January	–	7
Impairment utilised	–	(7)
At 31 December	–	–

12. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash at bank and in hand		**10,283**	5,996	**1,471**	557
Bank overdrafts	19	**(1,681)**	(1,959)	–	–
Cash and cash equivalents in consolidated statement of cash flows		**8,602**	4,037	**1,471**	557

The Group's and the Company's exposure to foreign currency risks are disclosed in note 26.

13. SHARE CAPITAL

	Group and Company	
	2014 No. of shares '000	2013 No. of shares '000
Fully paid ordinary shares, with no par value:		
On issue at 1 January and 31 December	**709,178**	709,178

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 meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

Capital consists of total shareholders' equity. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to any externally imposed capital requirements.

14. OTHER RESERVES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Translation reserve	**738**	(21,475)	**–**	–
Capital reserve	**18,650**	18,650	**18,650**	18,650
	19,388	(2,825)	**18,650**	18,650

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of certain entities within the Group whose functional currencies are different from that of the Group's presentation currency.

Capital reserve represents:

(i) the deemed capital injection arising from the waiver by its former ultimate holding company of amounts paid on behalf of the Company in 2008; and

(ii) the difference between fair value of the interest-free loan from its intermediate holding company and the loan amount at inception (note 15).

15. LOAN FROM INTERMEDIATE HOLDING COMPANY

	Group and Company	
	2014	**2013**
	$'000	**$'000**
Current portion, at amortised cost	**2,927**	3,174
Non-current portion, at amortised cost	**3,001**	6,433
	5,928	9,607

Loan from intermediate holding company arose from a summary judgement sum granted to a former subsidiary by the Singapore High Court on 30 September 2011.

On 1 April 2012, the summary judgement sum was assigned to the intermediate holding company through two independent parties. Pursuant to the assignments, the Company was liable to the intermediate holding company.

On 5 April 2012, the Company entered into a deed of settlement with the intermediate holding company in respect of the summary judgement sum. Pursuant to the deed of settlement, the Company shall pay to the intermediate holding company €8,465,833 (approximately $13,508,000) in five instalments in accordance with the following repayment schedule, in full and final settlement of the summary judgement sum:

i. €253,333 on or before 15 December 2012;
ii. €2,190,000 on or before 15 December 2013;
iii. €2,098,750 on or before 15 December 2014;
iv. €2,007,500 on or before 15 December 2015; and
v. €1,916,250 on or before 15 June 2016.

15. LOAN FROM INTERMEDIATE HOLDING COMPANY (CONTINUED)

This loan is unsecured, interest-free and has fixed repayment schedules. Accordingly, this interest-free loan was stated at fair value at inception and the difference between the fair value and the loan amount at inception was recognised in capital reserve as part of shareholders' equity (note 14). Fair value at inception was determined based on expected future principal cash flows, discounted at an interest rate of 5% per annum. The loan is subsequently measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest expense in profit or loss over the term of the loan.

16. RETIREMENT BENEFIT (LIABILITIES)/ASSETS

	Group	
	2014	**2013**
	$'000	**$'000**
Present value of retirement benefit obligations	**(2,301)**	(2,720)
Fair value of plan assets	**2,128**	2,768
Retirement benefit (liabilities)/assets	**(173)**	48

Movement in the present value of retirement benefit obligations

	Group	
	2014	**2013**
	$'000	**$'000**
Retirement benefit obligations at 1 January	**(2,720)**	(2,990)
Included in profit or loss		
Current service costs	**(164)**	(226)
Interest costs	**(131)**	(118)
Settlements	**(70)**	–
	(365)	(344)
Included in other comprehensive income		
Remeasurements – actuarial (loss)/gain	**(311)**	439
Others		
Benefits paid by the plan	**995**	73
Effect of movements in exchange rates	**100**	102
	1,095	175
Retirement benefit obligations at 31 December	**(2,301)**	(2,720)

Retirement benefit obligations relate to an unfunded pension plan of a subsidiary. The obligation is the actuarial present value of benefits due to past and present employees.

16. RETIREMENT BENEFIT (LIABILITIES)/ASSETS (CONTINUED)

Movement in the fair value of plan assets

	Group	
	2014	**2013**
	$'000	**$'000**
Fair value of plan assets at 1 January	**2,768**	2,274
Included in profit or loss		
Interest income	**135**	89
Included in other comprehensive income		
Return on plan assets, excluding interest income	**117**	341
Others		
Contributions paid in the plan	**205**	215
Benefits paid by the plan	**(995)**	(73)
Effect of movements in exchange rates	**(102)**	(78)
	(892)	64
Fair value of plan assets at 31 December	**2,128**	2,768

Expense recognised in profit or loss

		Group	
	Note	**2014**	**2013**
		$'000	**$'000**
Current service costs		**(164)**	(226)
Net interest on net retirement benefit liabilities		**4**	(29)
Settlements		**(70)**	–
Total included in employee benefits expense	21	**(230)**	(255)

The expense is recognised in the following line items in the profit and loss:

	Group	
	2014	**2013**
	$'000	**$'000**
Distribution and marketing expenses	**(112)**	(153)
Administrative expenses	**(118)**	(102)
	(230)	(255)

16. RETIREMENT BENEFIT (LIABILITIES)/ASSETS (CONTINUED)

The financial actuarial assumptions used are as follows:

	Group	
	2014	2013
	%	%
Discount rate	**4.3**	4.9
Future pension increment	**3.0**	3.0

17. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables:				
– Non-related parties	**2,451**	1,634	**–**	–
– Related corporations	**3,145**	3,839	**–**	–
	5,596	5,473	**–**	–
Advance from:				
– immediate holding company	**546**	592	**546**	592
Accrued staff costs	**700**	932	**129**	204
Other accruals for operating expenses	**1,698**	1,428	**274**	224
Trade and other payables	**8,540**	8,425	**949**	1,020
Derivatives	**509**	305	**–**	–
	9,049	8,730	**949**	1,020

The Group's and the Company's exposure to foreign currency risk are disclosed in note 26.

The advance from immediate holding company is non-trade, unsecured, interest-free and repayable on demand.

18. PROVISION FOR WARRANTY

The Group provides after sales support for warranty claims by customers. Warranty on the products sold by the Group is provided by the Group's suppliers. A provision is recognised at the reporting date for after sales support of warranty claims based on past experience of the level of support provided for repairs and returns.

Movements in provision for warranty of the Group during the year are as follows:

	Group	
	2014	2013
	$'000	$'000
At 1 January	**122**	89
Provision made during the year	**146**	123
Provision utilised during the year	**(161)**	(88)
Effect of movements in exchange rates	**1**	(2)
At 31 December	**108**	122

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19. BORROWINGS

	Note	Group 2014 $'000	Group 2013 $'000
Current			
Bank overdrafts	12	**1,681**	1,959
Finance lease		**27**	34
		1,708	1,993
Non-current			
Finance lease		**11**	38

The Group's and the Company's exposure to foreign currency and interest rate risks are disclosed in note 26.

Terms and debt repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	2014 Face value $'000	2014 Carrying amount $'000	2013 Face value $'000	2013 Carrying amount $'000
Group							
Bank overdrafts	USD	5.0	2015	1,681	1,681	1,959	1,959
Finance lease	USD	5.0	2016	33	30	60	54
Finance lease	CAD	6.2	2016	9	8	21	18
				1,723	1,719	2,040	2,031

The bank overdrafts of $1,681,000 (2013: $1,959,000) are secured on properties held by a subsidiary with carrying amounts of $1,837,000 (2013: $1,911,000) (see note 4).

19. BORROWINGS (CONTINUED)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000
Group				
2014				
Non-derivative financial liabilities				
Bank overdrafts	**1,681**	**1,681**	**1,681**	**–**
Finance lease	**38**	**42**	**28**	**14**
Loan from intermediate holding company	**5,928**	**6,293**	**3,223**	**3,070**
Trade and other payables*	**8,540**	**8,540**	**8,540**	**–**
	16,187	**16,556**	**13,472**	**3,084**
Derivative financial liabilities				
Forward exchange contracts used for hedging (gross-settled):				
– Outflow	**5,453**	**5,453**	**5,453**	**–**
– Inflow	**(5,240)**	**(5,240)**	**(5,240)**	**–**
Foreign exchange call options	**296**	**296**	**296**	**–**
	509	**509**	**509**	**–**
	16,696	**17,065**	**13,981**	**3,084**

* Excludes derivatives (shown separately).

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000
2013				
Non-derivative financial liabilities				
Bank overdrafts	1,959	1,959	1,959	–
Finance lease	72	81	36	45
Loan from intermediate holding company	9,607	10,483	3,655	6,828
Trade and other payables*	8,425	8,425	8,425	–
	20,063	20,948	14,075	6,873

* Excludes derivatives (shown separately).

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19. BORROWINGS (CONTINUED)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000
Group				
2013				
Derivative financial liabilities				
Forward exchange contracts used for hedging (gross-settled):				
– Outflow	2,965	2,965	2,965	–
– Inflow	(2,968)	(2,968)	(2,968)	–
Foreign exchange call options	308	308	308	–
	305	305	305	–
	20,368	21,253	14,380	6,873
Company				
2014				
Non-derivative financial liabilities				
Loan from intermediate holding company	**5,928**	**6,293**	**3,233**	**3,070**
Trade and other payables	**949**	**949**	**949**	**–**
	6,877	**7,242**	**4,182**	**3,070**
2013				
Non-derivative financial liabilities				
Loan from intermediate holding company	9,607	10,483	3,655	6,828
Trade and other payables	1,020	1,020	1,020	–
	10,627	11,503	4,675	6,828

Finance lease

At 31 December, the Group had obligations under finance leases that are repayable as follows:

	2014			2013		
	Payments $'000	Interest $'000	Principal $'000	Payments $'000	Interest $'000	Principal $'000
Group						
Within 1 year	**28**	**1**	**27**	36	2	34
Within 2 to 5 years	**14**	**3**	**11**	45	7	38
	42	**4**	**38**	81	9	72

20. REVENUE

	Group	
	2014	2013
	$'000	$'000
Sale of goods	**56,326**	55,179

21. (LOSS)/PROFIT BEFORE TAX

The following items have been included in arriving at (loss)/profit before tax:

		Group	
	Note	2014	2013
		$'000	$'000
Audit fees paid to:			
– auditors of the Company		**222**	205
– other auditors		**97**	95
Spare parts and goods for resale		**35,610**	34,165
Changes in inventories of spare parts and goods for resale		**1,368**	618
Depreciation and amortisation		**208**	204
Employee benefits expense (see below)		**7,465**	7,256
Loss on disposal of property, plant and equipment		**1**	–
Gain on disposal of investment property		**(344)**	–
Impairment losses recognised on trade and other receivables	11	**29**	14
Rental income		**(75)**	(178)
Reversal of inventories impairment	10	**(907)**	(229)
Operating lease expense		**1,401**	1,298
Loss on liquidation of subsidiaries		**22,586**	10
Employee benefits expense			
Salaries, wages and other benefits		**6,151**	5,950
Employer's contributions to defined contribution plans, including Central Provident Funds and social security charges		**1,084**	1,051
Employer's contribution to retirement benefits plan		**230**	255
		7,465	7,256

22. FINANCE COSTS

		Group	
	Note	2014	2013
		$'000	$'000
Interest expense:			
– Bank overdrafts		**90**	96
– Finance lease		**5**	4
– Loan from intermediate holding company	15	**393**	559
– Loan from immediate holding company		**–**	8
Net foreign exchange (gain)/loss		**(573)**	915
Net change in fair value of derivatives		**222**	286
		137	1,868

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23. TAX EXPENSE/(CREDIT)

	Group 2014 $'000	Group 2013 $'000
Current tax expense		
– Singapore	**2**	–
– Foreign	**68**	73
	70	73
Deferred tax expense	**1,268**	(3,739)
	1,338	(3,666)
Overprovision in prior years	**(262)**	(41)
	1,076	(3,707)

Reconciliation of effective tax rate

	Group 2014 $'000	Group 2013 $'000
(Loss)/profit before tax	**(15,517)**	5,321
Tax calculated at tax rate of 17% (2013: 17%)	**(2,638)**	905
Effects of different tax rates in other countries	**232**	163
Income not subject to tax	**(109)**	(267)
Expenses not deductible for tax purposes	**4,015**	843
Utilisation of previously unrecognised unutilised tax losses	**(162)**	(5,416)
Overprovision in prior years	**(262)**	(41)
Others	**–**	106
	1,076	(3,707)

24. (LOSS)/EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2014 was based on the (loss)/profit attributable to ordinary shareholders of ($16,593,000) (2013: $9,028,000), and a weighted average number of ordinary shares outstanding of 709,178,000 (2013: 709,178,000), calculated as follows:

	Group 2014 $'000	Group 2013 $'000
Basic and diluted earnings per share is based on:		
(Loss)/profit attributable to ordinary shareholders	**(16,593)**	9,028

24. (LOSS)/EARNINGS PER SHARE (CONTINUED)

	Number of ordinary shares	
	2014	2013
	'000	'000
Weighted average number of ordinary shares during the year applicable to basic and diluted earnings per share	**709,178**	709,178

As the Group has no dilutive potential ordinary shares, the diluted earnings per share is also the basic earnings per share.

25. OPERATING LEASES

Operating lease commitments – where the Group is a lessee

The Group leases various offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 December, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2014	2013
	$'000	$'000
Within 1 year	**894**	930
Within 2 to 5 years	**2,214**	2,412
After 5 years	**2,106**	2,127
	5,214	5,469

Operating lease commitments – where the Group is a lessor

As at 31 December, the future minimum lease payments under non-cancellable leases are as follows:

	Group	
	2014	2013
	$'000	$'000
Within 1 year	**21**	–
Within 2 to 5 years	**41**	–
	62	–

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FINANCIAL STATEMENTS

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is entrusted for the development and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by outsourced Internal Audit or any other consultant service provider which undertakes both regular and ad hoc reviews of risk management.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currencies of the respective entities in the Group. The currencies giving rise to this risk are primarily the US Dollar ("USD"), Euro dollar ("Euro") and British Pound Sterling ("GBP").

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Purchases of electric motors in non-functional currencies formed bulk of the currency risk exposure of one of its subsidiaries, i.e., Brook Crompton UK Limited. Management minimises such risk through purchasing of foreign currency forward contracts and foreign exchange call options based on forecasted purchases within a fixed period.

The Group's and the Company's currency exposures to various currencies are as follows:

	Euro $'000	USD $'000	GBP $'000
Group			
2014			
Cash and cash equivalents	**2,068**	**485**	**1,219**
Trade and other receivables	**1,941**	**1,501**	**4,160**
Borrowings	**–**	**(1,681)**	**–**
Loan from intermediate holding company	**(5,928)**	**–**	**–**
Trade and other payables	**(3,927)**	**(618)**	**(35)**
Net exposure	**(5,846)**	**(313)**	**5,344**
2013			
Cash and cash equivalents	1,501	134	171
Trade and other receivables	1,312	1,996	4,724
Borrowings	–	(1,959)	–
Loan from intermediate holding company	(9,607)	–	–
Trade and other payables	(2,587)	(1,205)	(57)
Net exposure	(9,381)	(1,034)	4,838
Company			
2014			
Cash and cash equivalents	**51**	**3**	**1,216**
Trade and other receivables	**–**	**549**	**4,157**
Loan from intermediate holding company	**(5,928)**	**–**	**–**
Trade and other payables	**(551)**	**–**	**–**
Net exposure	**(6,428)**	**552**	**5,373**
2013			
Cash and cash equivalents	45	7	99
Trade and other receivables	–	300	4,702
Loan from intermediate holding company	(9,607)	–	–
Trade and other payables	(592)	–	–
Net exposure	(10,154)	307	4,801

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Singapore dollar, as indicated below, against the USD, EUR and AUD at 31 December would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

		Group		Company	
		2014	**2013**	**2014**	**2013**
		$'000	**$'000**	**$'000**	**$'000**
Euro (5% strengthening)	(2013: 5%)	**292**	469	**321**	508
USD (5% strengthening)	(2013: 5%)	**16**	52	**(28)**	(15)
GBP (5% strengthening)	(2013: 5%)	**(267)**	(242)	**(269)**	(240)
Euro (5% weakening)	(2013: 5%)	**(292)**	(469)	**(321)**	(508)
USD (5% weakening)	(2013: 5%)	**(16)**	(52)	**28**	15
GBP (5% weakening)	(2013: 5%)	**267**	242	**269**	240

Interest rate risk

The Group's exposure to changes in interest rates related primarily to borrowings. The directors monitor the interest rates of the Group's borrowings, where possible, in order to maintain the best borrowings interest rates that the Group can obtain in order to reduce interest expense. The ability of the Group to manage the impact of changes in market interest rates on the Group's borrowings is dependent on the support of the Group's bankers and other financial institutions.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing borrowings was:

	Group		Company	
	Carrying amount		Carrying amount	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial liabilities	**38**	72	**–**	–
Variable rate instruments				
Financial liabilities	**1,681**	1,959	**–**	–

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 1.5% in interest rates at the end of the financial year would (decrease)/increase profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		**Company**	
	Profit before tax		**Profit before tax**	
	1.5% Increase $'000	**1.5% Decrease $'000**	**1.5% Increase $'000**	**1.5% Decrease $'000**
2014				
Financial liabilities/Cash flow sensitivity (net)	**(25)**	25	**–**	–
2013				
Financial liabilities/Cash flow sensitivity (net)	**(29)**	29	**–**	–

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

For trade receivables, the Group adopts the policy of dealing only with customers of good credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limit that is approved by the responsible officer based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the responsible officer.

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

Cash and cash equivalents are placed with financial institutions which are regulated.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

	Note	Group 2014 $'000	Group 2013 $'000
By geographical area:			
Singapore		**191**	219
Asia Pacific (excluding Singapore)		**559**	433
United Kingdom		**5,917**	6,318
North America		**2,115**	2,029
Europe		**1,461**	1,031
Middle East		**26**	34
Africa		**–**	32
	11	**10,269**	10,096

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To maintain liquidity, apart from relying on funds generated from its operations, the Group also maintains a continuing relationship with the bankers and other financial institutions for their continuing support and pursues options to raise additional working capital when the need arises.

Estimation of fair value

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting dates. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

The fair value of derivative instruments is determined using broker quote at the end of the reporting period.

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group						
2014						
Trade and other receivables	11	**–**	**10,449**	**–**	**10,449**	**10,449**
Cash and cash equivalents	12	**–**	**10,283**	**–**	**10,283**	**10,283**
		–	**20,732**	**–**	**20,732**	**20,732**
Loan from intermediate holding company	15	**–**	**–**	**(5,928)**	**(5,928)**	**(5,928)**
Trade and other payables	17	**(509)**	**–**	**(8,540)**	**(9,049)**	**(9,049)**
Bank overdrafts	19	**–**	**–**	**(1,681)**	**(1,681)**	**(1,681)**
Finance lease	19	**–**	**–**	**(38)**	**(38)**	**(38)**
		(509)	**–**	**(16,187)**	**(16,696)**	**(16,696)**
2013						
Trade and other receivables	11	–	10,307	–	10,307	10,307
Cash and cash equivalents	12	–	5,996	–	5,996	5,996
		–	16,303	–	16,303	16,303
Loan from intermediate holding company	15	–	–	(9,607)	(9,607)	(9,607)
Trade and other payables	17	(305)	–	(8,425)	(8,730)	(8,730)
Bank overdrafts	19	–	–	(1,959)	(1,959)	(1,959)
Finance lease	19	–	–	(72)	(72)	(72)
		(305)	–	(20,063)	(20,368)	(20,368)

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26. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company						
2014						
Trade and other receivables	11	**–**	**5,706**	**–**	**5,706**	**5,706**
Cash and cash equivalents	12	**–**	**1,471**	**–**	**1,471**	**1,471**
		–	**7,177**	**–**	**7,177**	**7,177**
Loan from intermediate holding company	15	**–**	**–**	**(5,928)**	**(5,928)**	**(5,928)**
Trade and other payables	17	**–**	**–**	**(949)**	**(949)**	**(949)**
		–	**–**	**(6,877)**	**(6,877)**	**(6,877)**
2013						
Trade and other receivables	11	–	5,598	–	5,598	5,598
Cash and cash equivalents	12	–	557	–	557	557
		–	6,155	–	6,155	6,155
Loan from intermediate holding company	15	–	–	(9,607)	(9,607)	(9,607)
Trade and other payables	17	–	–	(1,020)	(1,020)	(1,020)
		–	–	(10,627)	(10,627)	(10,627)

Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy.

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

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

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

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Level 2 $'000
Group	
2014	
Derivative instruments	**(509)**
2013	
Derivative instruments	(305)

27. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Company, directors of subsidiaries and members of the management team are considered as key management of the Group.

The remuneration of key management personnel of the Group for the financial year are as follows:

	Group	
	2014 $'000	**2013 $'000**
Salaries, fees and other short-term employee benefits	**1,516**	1,525
Post-employment benefits	**102**	104
	1,618	1,629

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

Other related party transactions

	Group	
	2014 $'000	**2013 $'000**
Administrative fee income from related corporation	**14**	14
Commission income from related corporation	**66**	170
Interest expense charged by intermediate holding company	**(393)**	(559)
Interest expense charged by immediate holding company	**–**	(8)
License fee received from related corporation	**556**	589
Purchase of inventories from related corporations	**(19,336)**	(12,930)
Recharge of expenses by immediate holding company	**(42)**	(8)
Recharge of expenses to immediate holding company	**61**	–

27. RELATED PARTIES (CONTINUED)

	Group	
	2014	**2013**
	$'000	**$'000**
Recharge of expenses by related corporations	**(12)**	–
Rental income received from related corporation	**36**	36
Sale of motors to related corporations	**88**	14
Scrap sales to related corporations	**–**	125

The related corporations refer to fellow subsidiaries under the immediate holding company.

Outstanding balances as at 31 December 2014, arising from sale/purchase of goods and services, are set out in notes 11 and 17, respectively.

28. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

The Group's primary business is in the distribution of electric motors. Management manages and monitors the business from a geographical segment perspective. The following are the three main geographical segments for the Group:

- Asia Pacific
- United Kingdom
- North America

Sales are based on the region in which the entity is located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

Information regarding the results of each reportable segment is included below. Performance is measured based on the geographical segment's profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	United Kingdom	**North America**	**Asia Pacific**	**Corporate**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
2014					
Total segment sales	**33,020**	**18,926**	**6,581**	**–**	**58,527**
Elimination of intersegment sales	**(47)**	**(2,154)**	**–**	**–**	**(2,201)**
Sales to external parties	**32,973**	**16,772**	**6,581**	**–**	**56,326**

28. OPERATING SEGMENTS (CONTINUED)

	United Kingdom $'000	North America $'000	Asia Pacific $'000	Corporate $'000	Total $'000
Group					
2014					
Segment results	**6,660**	**1,305**	**359**	**(680)**	**7,644**
Interest expense	**–**	**(94)**	**–**	**(394)**	**(488)**
Depreciation and amortisation	**(55)**	**(110)**	**(3)**	**(40)**	**(208)**
Net change in fair value of derivatives	**(222)**	**–**	**–**	**–**	**(222)**
Loss on disposal property plant and equipment	**(1)**	**–**	**–**	**–**	**(1)**
Gain on disposal investment property	**–**	**–**	**–**	**344**	**344**
Loss on liquidation of subsidiary	**–**	**–**	**–**	**(22,586)**	**(22,586)**
Profit/(loss) before tax	**6,382**	**1,101**	**356**	**(23,356)**	**(15,517)**
Segmental assets	**21,945**	**14,042**	**2,068**	**1,693**	**39,748**
The above assets include:					
Non-current assets	**2,842**	**2,264**	**8**	**56**	**5,170**
Capital expenditure:					
– Property, plant and equipment	**124**	**131**	**8**	**22**	**285**
Segment liabilities	**5,021**	**4,682**	**858**	**7,015**	**17,576**
2013					
Total segment sales	33,933	18,589	4,931	–	57,453
Elimination of intersegment sales	(127)	(2,147)	–	–	(2,274)
Sales to external parties	33,806	16,442	4,931	–	55,179
Segment results	7,625	715	253	(2,105)	6,488
Interest expense	–	(100)	–	(567)	(667)
Depreciation and amortisation	(68)	(104)	–	(32)	(204)
Net change in fair value of derivatives	(286)	–	–	–	(286)
Loss on liquidation of subsidiary	–	–	–	(10)	(10)
Profit/(loss) before tax	7,271	511	253	(2,714)	5,321
Segmental assets	21,385	14,540	1,292	810	38,027
The above assets include:					
Non-current assets	4,154	2,298	2	159	6,613
Capital expenditure:					
– Property, plant and equipment	35	51	2	61	149
Segment liabilities	4,351	5,626	378	10,978	21,333

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28. OPERATING SEGMENTS (CONTINUED)

The distribution business is operated in the following countries:

	Group Revenue	
	2014	**2013**
	$'000	**$'000**
Singapore	**6,581**	4,931
United Kingdom	**32,973**	33,806
United States	**11,089**	10,223
Canada	**5,683**	6,219
	56,326	55,179

	Group Non-current assets	
	2014	**2013**
	$'000	**$'000**
Singapore	**65**	161
United Kingdom	**2,843**	4,154
United States	**252**	193
Canada	**2,010**	2,105
	5,170	6,613

LETTER TO SHAREHOLDERS

LINDETEVES-JACOBERG LIMITED
(the "Company")
(Incorporated in the Republic of Singapore)
(Company Registration No.: 194700172G)

10 April 2015

Directors:	**Registered Office:**
Andreas Schindler	100 Cecil Street
Chen Yingzhu	#07-01/02 The Globe
Dr Knut Unger	Singapore 069532
Volker Felix Zuleck	

To: The Shareholders of Lindeteves-Jacoberg Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR TRANSACTIONS WITH INTERESTED PERSONS OF THE COMPANY (THE GENERAL MANDATE)

1. BACKGROUND

We refer to (a) the Notice of the 67th Annual General Meeting ("2015 AGM") of Lindeteves-Jacoberg Limited (the "Company") dated 10 April 2015 (the "Notice of AGM") accompanying the Annual Report of the Company for the financial year ended 31 December 2014 (the "2014 Annual Report") in relation to the convening of the 2015 AGM of the Company which is scheduled to be held on 27 April 2015, and (b) Ordinary Resolution 6 in relation to the renewal of the General Mandate under the heading "Special Business" set out in the Notice of the 2015 AGM.

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE

2.1 The Existing General Mandate

At the General Meeting held on 29 April 2014 (the "AGM"), shareholders of the Company ("Shareholders") approved the renewal of the General Mandate to enable the Company, its subsidiaries and associated companies to enter into any transactions falling within the categories of ATB Interested Person Transactions described in the Company's circular to Shareholders dated 29 November 2006.

2.2 Proposed Renewal of the General Mandate

The General Mandate was expressed to continue to be in force until the conclusion of the next Annual General Meeting of the Company, being the forthcoming 2015 AGM. Accordingly, the directors of the Company (the "Directors") propose that the General Mandate be renewed at the forthcoming 2015 AGM. The particulars of the interested person transactions in respect of which the General Mandate is sought to be renewed remained unchanged.

LETTER TO
SHAREHOLDERS

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE (CONTINUED)

2.3 Details of the General Mandate

Details of the General Mandate, including the rationale for and the benefits to the Company, the review procedures for determining transaction prices with interested persons and other general information in relation to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), are set out in the Appendix to this letter.

2.4 Confirmation of Audit Committee

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee of the Company confirms that:

(a) the methods or procedure for determining the transaction prices under the General Mandate have not changed subsequent to the 2014 AGM; and

(b) the methods or procedure referred to paragraph 2.4(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

3.1 The interest of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		**Deemed Interest**	
	No. of Shares	**%(1)**	**No. of Shares**	**%(1)**
Directors				
Knut Unger	200,000	0.03	–	–
Volker Felix Zuleck	500,000	0.07	–	–
Andreas Schindler	–	–	–	–
Chen Yingzhu	–	–	–	–
Substantial Shareholders				
ATB Austria Antriebstechnik AG	–	–	468,290,380 (2)	66.03
Wolong Investments Gmbh	–	–	468,290,380 (3)	66.03
Wolong Holding Group Gmbh	–	–	468,290,380 (4)	66.03
Hongkong Wolong Holding Group Co Ltd	–	–	468,290,380 (5)	66.03
Wolong Electric Group Co Ltd	–	–	468,290,380 (6)	66.03
Wolong Shunyu Investment Co Ltd	–	–	468,290,380 (7)	66.03
Wolong Holding Group Co Ltd	–	–	468,290,380 (8)	66.03

3. **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS** (CONTINUED)

(1) The percentage shareholding interest is based on the issued share capital of 709,178,191 shares as at the Latest Practicable Date.
(2) ATB Austria Antriebstechnik AG ("ATB") is deemed to be interested in the 468,290,380 ordinary shares held under the name of nominee – CIMB Securities (Singapore) Pte Ltd.
(3) Wolong Investments Gmbh ("Wolong Investments") holds 98.93% shares in ATB and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Companies Act, Cap. 50. ("the Act").
(4) Wolong Holding Group Gmbh ("Wolong Holding") is the sole shareholder of Wolong Investments and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.
(5) Hongkong Wolong Holding Group Co Ltd ("Hongkong Wolong") is the sole shareholder of Wolong Holding and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.
(6) Wolong Electric Group Co Ltd ("Wolong Electric") is the sole shareholder of HongKong Wolong and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.
(7) Wolong Shunyu Investment Co. Ltd ("Wolong Shunyu") holds 38.07% shares in Wolong Electric and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.
(8) Wolong Holding Group Co Ltd ("WHGCL") is the sole shareholder of Wolong Shunyu and holds 12.67% shares in Wolong Electric, and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

3.2 Abstention from voting

ATB, Wolong and their respective associates (as defined in the Listing Manual) will abstain from voting in respect of the Ordinary Resolution relating to the proposed renewal of the General Mandate at the forthcoming 2015 AGM.

Further, each of the persons mentioned in this paragraph 3.2 undertakes to decline to accept appointment to act as proxies for other Shareholders of the Company at the 2015 AGM or Ordinary Resolution 6 unless the Shareholder concerned shall have been given specific instructions as to the manner in which his votes are to be cast.

4. **DIRECTORS' RECOMMENDATION**

4.1 The Directors who are considered independent for the purposes of the proposed renewal of the General Mandate (the "Independent Directors") are Dr Knut Unger, and Mr Volker Felix Zuleck. The Independent Directors having considered, inter alia, the terms, the rationale and the benefits of the General Mandate, are of the view that the General Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 6 relating to the General Mandate set out in the Notice of AGM.

5. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors jointly and severally accept responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts and opinions expressed in this letter are fair and accurate and that there are no material facts the omission of which would make any statement in this letter misleading.

6. **ADVICE TO SHAREHOLDERS**

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisor immediately.

LETTER TO SHAREHOLDERS

7. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this letter.

Yours faithfully

LINDETEVES-JACOBERG LIMITED
Volker Felix Zuleck
Independent Director

Singapore

THE APPENDIX

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual ("Chapter 9") governs transactions which a listed company or any of its subsidiaries or associated companies proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its minority shareholders.

1.2 For the purposes of Chapter 9:

(a) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9;

(b) an "associate" in relation to any director, chief executive officer or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, stepchild, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(c) an "associated company" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(d) a "controlling shareholder" is a person who holds directly or indirectly 15% or more of all voting shares in a listed company (unless otherwise excepted by SGX-ST) or in fact exercises control over the listed company;

(e) an "entity at risk" means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange, or an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s) has control over the associated company;

(f) an "interested person" means a director, chief executive officer or controlling shareholder of a listed company, or an associate of such director, chief executive officer or controlling shareholder;

(g) an "interested person transaction" means a transaction between an entity at risk and an interested person; and

(h) a "transaction" includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business and whether or not entered into directly or indirectly.

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1. CHAPTER 9 OF THE LISTING MANUAL (CONTINUED)

1.3 Save for transactions which are not considered to put the listed company at risk and which are therefore excluded from the ambit of Chapter 9, an immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds. In particular, an immediate announcement is required where:

(a) the value of a proposed transaction is equal to or exceeds 3% of the listed group's latest audited consolidated net tangible assets ("NTA") or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year is equal to or more than 3% of the listed group's latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year, and shareholders' approval (in addition to an immediate announcement) is required where:

(i) the value of a proposed transaction is equal to or exceeds 5% of the listed group's latest audited consolidated NTA; or

(ii) the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 5% of the listed group's latest audited consolidated NTA. The aggregate will exclude any transaction that has been approved by shareholders previously or is the subject of aggregation with another transaction that has been previously approved by shareholders.

For the purposes of aggregation, interested person transactions below S$100,000 each are to be excluded.

1.4 Part VIII of Chapter 9 allows a listed company to seek a General Mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A General Mandate granted by shareholders is subject to annual renewal.

2. RATIONALE FOR THE GENERAL MANDATE

2.1 The Directors believe that the General Mandate is in the interests of the Group for the following reasons:

(a) The ATB/Wolong Interested Persons are in a similar business as the Group and as such, there are opportunities for the Group to leverage on the products and services provided by the ATB/Wolong Interested Persons. In fact, one of the reasons stated by ATB for acquiring control of the Group was to acquire a significant stake in a complementary business with regard to product range and market presence. The General Mandate will allow the Group to take advantage of such opportunities, thereby increasing its revenue.

(b) Timely delivery is an essential element in the Group's business. If the Company were required to seek Shareholders' approval on each occasion it deals with the ATB/Wolong Interested Persons, it would make it unviable for the ATB/Wolong Interested Persons to transact with the Group. The General Mandate would facilitate such transactions with the ATB/Wolong Interested Persons being carried out in a timely manner.

2. RATIONALE FOR THE GENERAL MANDATE (CONTINUED)

(c) If the Company is constantly required to seek Shareholders' approval for transactions with the ATB/Wolong Interested Persons, the Company would have to expand administrative time and resources as well as incur additional expenses associated therewith. The proposed General Mandate would allow such resources and time to be channelled towards the Company's other objectives.

2.2 The General Mandate and the renewal thereof on an annual basis are intended to facilitate the ATB/Wolong Interested Person Transactions in the ordinary course of business of the Group which the Directors envisage likely to be transacted with some frequency from time to time with the ATB/Wolong Interested Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3. CLASSES OF ATB INTERESTED PERSONS

The proposed General Mandate will apply to the transactions set out in paragraph 4.2 below proposed to be carried out with the following classes of persons: (a) ATB; (b) Wolong Group Holding Co. Ltd ("Wolong"), who is a substantial shareholder of ATB; and (c) any associate (as defined in the Listing Manual) of ATB or Wolong.

4. SCOPE OF THE GENERAL MANDATE

4.1 Chapter 9 of the Listing Manual governs transactions by a listed company as well as transactions by its subsidiaries and associated companies that are considered to be at risk with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with all other transactions conducted with the same interested person during the financial year exceeds certain materiality thresholds, the listed company is required to seek its shareholders' approval for that transaction.

The materiality thresholds are:

(a) 5% of the listed group's latest audited consolidated NTA; or

(b) 5% of the listed group's latest audited consolidated NTA, when aggregated with all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

However, Chapter 9 of the Listing Manual permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials that may be carried out with the listed company's interested persons.

As mentioned, in light of the fact that the Group and the ATB Interested Persons are in similar businesses, it is envisaged that in the ordinary course of their businesses, certain transactions (as more particularly set out in paragraph 4.2 below) between the Group Companies and the ATB Interested Persons may occur from time to time. Such ATB Interested Person Transactions would be transactions in the ordinary course of business in the Group.

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4. SCOPE OF THE GENERAL MANDATE (CONTINUED)

4.1 (Continued)

Accordingly, the General Mandate is being proposed to enable the group of companies (Group Companies) to, in the ordinary course of business, enter into the categories of ATB Interested Person Transactions set out in paragraph 4.2 below with the ATB Interested Persons, provided such transactions are entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interest of the Company and its minority Shareholders.

The General Mandate does not cover any transaction between a Group Company and any ATB Interested Person that is below S$100,000 in value, as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

4.2 Types of Transactions under the Scope of the General Mandate

The ATB Interested Person Transactions to be covered by the General Mandate would include the following classes of transactions which are entered into during the Group's normal course of business. The General Mandate does not cover any purchase or sale of assets, undertakings or businesses from or to the ATB Interested Persons.

(a) *Trading of electric motors and components*

As the Group Companies and the ATB/Wolong Group each specialise in the manufacture and trading of different categories of electric motors, occasions may arise from time to time where it is necessary for the Group Companies to sell or purchase electric motors and components from the ATB/Wolong Group. Currently, the Group Companies are in the business of trading high voltage and low voltage industrial electric motors for the oil and gas, pharmaceutical and marine industries whereas the ATB Group specialises in the production of electric motors which are used for industrial applications, heating systems, gardening implements and domestic appliances.

The sale and purchase prices for such electric motors and components to be sold or bought from the ATB/Wolong Group are determined by the sales or purchasing departments of the relevant Group Companies on the same bases as if the relevant Group Company were dealing with an unrelated third party.

The Group will benefit from having access to a wide range of electric motors and components at competitive quotes from the ATB/Wolong Group, in addition to obtaining quotes from or transacting with unrelated third parties.

(b) *Production and sub-contracting services*

Transactions in this category of services include the provision of sub-contracting services by companies within the Group to the ATB/Wolong Group at an agreed contracted price for the contract period. As both the ATB/Wolong Group and the Group Companies are in a similar business of producing electric motors, the ATB/Wolong Group may on occasions outsource the production of certain electric motors to a Group Company. Such sub-contracting arrangements would benefit the Group, as it would enable excess production capacities of any Group Company to be utilised more effectively in providing a source of additional income for the Group. The price would be based on a cost-plus-margin formula or on a fixed cost (inclusive of margin) per unit motor or component to be produced during the specific contract period.

4. SCOPE OF THE GENERAL MANDATE (CONTINUED)

4.2 Types of Transactions under the Scope of the General Mandate (Continued)

(c) *Storage and warehousing of electric motors and components*

Transactions falling within this category are the provision of storage services for electric motors and components to the ATB Group by the Group Companies at an agreed storage fee. Such fees are negotiated for the contractual period and are based on the prevailing rental rates for similar storage and warehouse space available on the market. It is expected that the sharing of storage and warehousing facilities with the ATB Group would enable the Group Companies to save on rental costs.

(d) *Receipt of financial assistance*

This category covers transactions between companies within the Group and the ATB Interested Persons, which may include (i) the borrowing of money from the ATB Interested Persons and (ii) the provision of guarantees, indemnities or security by the ATB Interested Persons in favour of the Group's creditors in respect of borrowings which are incurred by the Group. The Group may seek financial assistance from the ATB Interested Persons in cases where there are insufficient funds for the Group's operations.

The cost of borrowing will be based on the prevailing rates of interest had the relevant company within the Group borrowed from the market. Commission rates (if any) which are charged by the ATB Interested Persons for the provision of such guarantees or indemnities will be benchmarked against commission rates quoted by reputable financial institutions. As any interest payable by the Group Companies to the ATB Interested Persons would be no less favourable than what is offered in the market, the provision of financial assistance by the ATB Interested Persons would also allow the Group Companies ready access to funds in an expedient manner to meet the Group Companies' liquidity and working capital needs.

(e) *Management support services*

The Group may, from time to time, receive or provide management and support services from/to the ATB Interested Persons in the areas of financial and treasury advice, investment risk review, governmental relations, strategic development, management information systems, internal audit and human resources management and development ("management support services"). By having access to and providing such management support services, the Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of the ATB Interested Persons.

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5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS

To ensure that the ATB Interested Person Transactions are conducted on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and on terms which are generally no more favourable than those extended to unrelated third parties, as a general practice, the relevant company within the Group will only enter into an ATB Interested Person Transaction if the terms offered by/extended to an ATB Interested Person are no less/more favourable than terms offered by/extended to unrelated third parties. To this end, the Group will adopt the procedures set out below.

5.1 All ATB Interested Person Transactions (except storage and warehousing and financial assistance)

The Company will monitor the ATB Interested Person Transactions which are covered by the General Mandate by implementing the following review and approval procedures:

(a) Quotations will be obtained from the relevant ATB Interested Person and at least two other similar unrelated third party providers to determine if the price and terms offered by such ATB Interested Person are fair and reasonable. In determining if the price and terms offered by the relevant ATB Interested Person are fair and reasonable, factors such as (but not limited to) quality, specification compliance, track record, experience and expertise, preferential rates, rebates or discounts accorded for bulk purchases may also be taken into account.

(b) Where it is not possible to obtain quotations from unrelated third parties and in order to determine whether the terms of the transaction with the relevant ATB Interested Person are fair and reasonable, the designated approving party will assess whether the pricing and terms of the transaction is in accordance with the Group's usual business practices and pricing policy, the prevailing industry norms and whether they are consistent with the usual margins for the same or substantially similar types of transactions entered into with unrelated third parties. A written recommendation will be submitted to the designated approving parties by the relevant sales or purchasing personnel of the relevant Group Company.

(c) *Threshold Limits*

Transactions less than €100,000 each in value will be reviewed and approved by the designated management levels in accordance with the Group's procedures on the delegation of authority.

Transactions exceeding €100,000 but less than €300,000 each in value will be reviewed and approved by the Managing Director and the Financial Controller of the relevant company within the Group.

Transactions exceeding €300,000 but less than €1,000,000 each in value will be reviewed and approved by the Group Chief Executive Officer.

Transactions exceeding €1,000,000 each in value will be reviewed and approved by the Audit Committee.

The aforementioned approvals shall be obtained before the transactions are entered into or carried out.

5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS (CONTINUED)

5.2 Storage and warehousing

In relation to storage and warehousing services for electric motors and components, the agreed storage fees should be no less favourable than prevailing rental rates. In the event that market rental rates are not readily available, the relevant company within the Group shall adopt the procedures set out in paragraph 5.1(b).

The threshold limits as set out in paragraph 5.1(c) shall also apply for purposes of reviewing and approving any ATB Interested Person Transaction which involves the provision of storage and warehousing services.

5.3 Financial Assistance

In relation to financial assistance, the borrowing of funds from any ATB Interested Person should be at rates and on conditions no less favourable than those quoted by a reputable financial institution licensed by the Monetary Authority of Singapore or, in the case of borrowings made by the Group's foreign subsidiaries, at rates quoted by reputable financial institutions located in the relevant foreign jurisdictions.

In relation to the provision of guarantees, indemnities or security by the ATB Interested Persons in favour of the Group's creditors, in respect of borrowings which are incurred by the Group, any commission rates (if any) which are chargeable by the ATB Interested Persons for the provision of such guarantees or indemnities shall be at rates no less favourable than that quoted by reputable financial institutions.

In cases where, for any reason, information relating to the prevailing interest/commission rates chargeable by such financial institutions is unavailable, the relevant company within the Group shall adopt the procedures set out in paragraph 5.1(b) above.

All financial assistance transactions will be reviewed and approved by the Group Chief Executive Officer. Any financial assistance transaction which exceeds €3,000,000 each in value will be reviewed and approved by the Audit Committee.

5.4 General Administrative Procedures for the ATB Interested Person Transactions

The Company will also implement the following administrative procedures in respect of transactions proposed to be entered into with the ATB Interested Persons:–

(a) A register will be maintained by each company within the Group to record all ATB Interested Person Transactions which are entered into pursuant to the General Mandate. The annual internal audit plan shall incorporate a review of all ATB Interested Person Transactions entered into pursuant to the General Mandate.

(b) The person authorised to approve those transactions must not have a direct or indirect interest in the transactions. In instances where the authorised person has a direct or indirect interest in any ATB Interested Person Transaction, he/she shall not take part in the approval process for such ATB Interested Person Transactions. Such ATB Interested Person Transactions shall be subject to the approval of such other non-interested persons who are authorised to approve transactions within that threshold limit or the next higher approving authority who has no direct or indirect interest in such transactions.

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5. REVIEW PROCEDURES FOR THE ATB INTERESTED PERSON TRANSACTIONS (CONTINUED)

5.4 General Administrative Procedures for the ATB Interested Person Transactions (Continued)

(c) On a quarterly basis, the Audit Committee will review all ATB Interested Person Transactions. The managing director and the financial controller of the relevant company within the Group shall submit a declaration form to the Head Office of the Group at the end of each financial quarter, stating that all ATB Interested Persons Transactions have been fairly and reasonably executed and are consistent with the guidelines and review procedures for ATB Interested Person Transactions. Persons authorised to approve the relevant ATB Interested Person Transactions shall also make a declaration when approving the relevant ATB Interested Person Transactions, confirming that he/she does not have a direct or indirect interest in the relevant ATB Interested Person Transactions.

(d) The Internal Auditor/management of the Company will periodically review the established guidelines and procedures for the ATB Interested Person Transactions to ensure compliance. The results of these reviews will be reported to the Audit Committee.

(e) On the basis of these periodic reviews by the Internal Auditor/management and in the event the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the ATB Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the ATB Interested Persons.

(f) The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate to individuals within the Company as they deem appropriate. For the purpose of the approval process, if any member of the Audit Committee has an interest in a transaction to be reviewed by the Audit Committee, he will abstain from any decision making by the Audit Committee in respect of the transaction. Accordingly, where any member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, the approval of that transaction will be undertaken by the remaining member(s) of the Audit Committee.

6. DISCLOSURE IN ANNUAL REPORT

Disclosure has been made in the section on Interested Person Transactions in this Annual Report of the aggregate value of transactions in excess of S$100,000 conducted with Interested Persons (as described in paragraph 3 of the appendix to this letter) pursuant to the existing General Mandate during the financial year ended 31 December 2014 and disclosure shall be made in the Annual Reports for subsequent financial years that the General Mandate continues in force in accordance with the requirements of Chapter 9.

ANALYSIS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

Number of shares issued	:	709,178,191
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 18 MARCH 2015

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	30	0.58	531	0.00
100 – 1000	244	4.74	176,456	0.03
1,001 – 10,000	2,821	54.80	13,205,049	1.86
10,001 – 1,000,000	2,025	39.34	140,128,402	19.76
1,000,001 AND ABOVE	28	0.54	555,667,753	78.35
TOTAL	**5,148**	**100.00**	**709,178,191**	**100.00**

TWENTY LARGEST SHAREHOLDERS

(as shown in the Register of Members)

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	CIMB SECURITIES (SINGAPORE) PTE LTD	469,184,380	66.16
2	DBS NOMINEES PTE LTD	21,691,845	3.06
3	OCBC SECURITIES PRIVATE LTD	8,747,426	1.23
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,997,060	0.99
5	LIU WENYING	3,974,400	0.56
6	CITIBANK NOMINEES SINGAPORE PTE LTD	3,685,037	0.52
7	IYER ANJALI SUBRAMANIAN	3,523,500	0.50
8	OCBC NOMINEES SINGAPORE PTE LTD	3,243,250	0.46
9	HO SIN CHAN	3,216,000	0.45
10	TEH CHIN HUAT	2,657,000	0.37
11	GO MEI LIN	2,587,000	0.36
12	MAYBANK KIM ENG SECURITIES PTE LTD	2,426,000	0.34
13	CHIN MIN KWONG	2,100,000	0.30
14	PHILLIP SECURITIES PTE LTD	2,042,080	0.29
15	CHONG SOHHAR HAROLD	2,000,000	0.28
16	NG PIN	1,824,000	0.26
17	LIM MUI CHOO	1,758,000	0.25
18	CITIBANK CONSUMER NOMINEES PTE LTD	1,735,500	0.24
19	CHEW POH KWAN MARGARET	1,629,000	0.23
20	CHENG HENG FUAN	1,574,000	0.22
	TOTAL	**546,595,478**	**77.07**

ANALYSIS OF SHAREHOLDINGS

AS AT 18 MARCH 2015

REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2015

Name	DIRECT INTERESTS		DEEMED INTERESTS	
	No. of Shares	%	No. of Shares	%
ATB Austria Antriebstechnik AG	–	0.00%	468,290,380 (1)	66.03%
Wolong Investments Gmbh	–	0.00%	468,290,380 (2)	66.03%
Wolong Holding Group Gmbh	–	0.00%	468,290,380 (3)	66.03%
Hongkong Wolong Holding Group Co Ltd	–	0.00%	468,290,380 (4)	66.03%
Wolong Electric Group Co Ltd	–	0.00%	468,290,380 (5)	66.03%
Wolong Shunyu Investment Co. Ltd	–	0.00%	468,290,380 (6)	66.03%
Wolong Holding Group Co Ltd	–	0.00%	468,290,380 (7)	66.03%

Note:

(1) ATB Austria Antriebstechnik AG's ("ATB") interest in the 468,290,380 shares were held under the name of nominees – CIMB Securities (Singapore) Pte Ltd.

(2) Wolong Investments Gmbh (Wolong Investments) holds 98.93% shares in ATB and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Companies Act, Cap. 50. ("the Act").

(3) Wolong Holding Group Gmbh ("Wolong Holding") is the sole shareholder of Wolong Investments and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(4) Hongkong Wolong Holding Group Co Ltd ("Hongkong Wolong") is the sole shareholder of Wolong Holding and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(5) Wolong Electric Group Co Ltd ("Wolong Electric") is the sole shareholder of HongKong Wolong and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(6) Wolong Shunyu Investment Co. Ltd ("Wolong Shunyu") holds 38.07% shares in Wolong Electric and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(7) Wolong Holding Group Co Ltd ("WHGCL") is the sole shareholder of Wolong Shunyu and holds 12.67% shares in Wolong Electric, and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

Percentage of Shareholding in the Hands of the Public

Based on the information available to the Company as at 18 March 2015, 33.87% of the issued capital of the Company was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

LINDETEVES-JACOBERG LIMITED
(the "Company")
(Company Registration No. 194700172G)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 67th Annual General Meeting of Lindeteves-Jacoberg Limited (the "Company") will be held at Regus One Fullerton 1 Fullerton Road #02-01, One Fullerton, Singapore 049213 on Monday, 27 April 2015 at 9.30am to transact the following businesses:–

AS ORDINARY BUSINESS

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

2. To approve the Directors' fees of up to S$90,000 for the financial year ending 31 December 2015 (31 December 2014: S$90,000). **(Resolution 2)**

3. To re-elect Ms Chen Yingzhu, a Director retiring pursuant to Article 108 of the Company's Articles of Association. **(Resolution 3)**

4. To record the retirement of Mr Volker Felix Zuleck who is retiring pursuant to Article 104 of the Company's Articles of Association and not seeking for re-election.

   Mr Volker Felix Zuleck, upon his retirement at the conclusion of the Annual General Meeting, shall cease to be the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee.

5. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

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

AS SPECIAL BUSINESS

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

7. AUTHORITY TO ISSUE SHARES

"That pursuant to Section 161 of the Companies Act, Chapter 50, and Rule 806(2) of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:–

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

7. AUTHORITY TO ISSUE SHARES (CONTINUED)

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

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

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

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

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

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

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (See Explanatory Note 1) **(Resolution 5)**

8. APPROVAL OF THE RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to the Company's letter to shareholders dated 10 April 2015 the "Letter"), with any party who is of the Classes of Interested Persons described in the Appendix to the Letter, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Appendix to the Letter (the "General Mandate");

(b) such General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the company to give effect to the General Mandate and/or this Resolution".
(See Explanatory Note 2) **(Resolution 6)**

BY ORDER OF THE BOARD

Ang Siew Koon, ACIS
Low Siew Tian, ACIS
Company Secretaries

Singapore, 10 April 2015

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Note:–

1. Resolution 5, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to allot and issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   For the purpose of Resolution 5, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 6 is to renew effective up to the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by the Company in general meeting) the General Mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" to enter, in the ordinary course of business, into the types of mandated transactions with specific classes of the Company's interested persons. The General Mandate which was previously approved by shareholders at the Annual General Meeting of the Company held on 29 April 2014 will be expiring at the forthcoming 67th Annual General Meeting. Particulars of the General Mandate and the Audit Committee's confirmation (pursuant to Rule 920(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited) in respect of the proposed renewal of the General Mandate, are contained in the Company's letter to shareholders dated 10 April 2015.

Notes:

1. A member may appoint not more than two proxies to attend and vote at the Meeting.

2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and the second name proxy as an alternate to the first named.

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

4. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 100 Cecil Street, #07-01/02 The Globe, Singapore 069532 not later than 48 hours before the time appointed for the Meeting.

NOTICE OF
ANNUAL GENERAL MEETING

Personal data privacy:

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

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LINDETEVES-JACOBERG LIMITED
(Company Registration No. 194700172G)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy shares in the capital of Lindeteves-Jacoberg Limited, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF approved Nominees.

*I/We ______________________ (Name) NRIC/Passport No. ______________________

of ____ (Address)

being * a member/members of Lindeteves-Jacoberg Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

* and/or

or failing him, Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the 67th Annual General Meeting of the Company to be held at Regus One Fullerton 1 Fullerton Road #02-01, One Fullerton, Singapore 049213 on Monday, 27 April 2015 at 9.30am and at any adjournment thereof.

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

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements and the Directors' Report and Auditors' Report for the financial year ended 31 December 2014.		
2.	To approve Directors' fees of up to S$90,000 for the financial year ending 31 December 2015.		
3.	To re-elect Ms Chen Yingzhu pursuant to Article 108 of the Company's Articles of Association.		
4.	To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5.	To authorise the Directors to issue shares		
6.	To approve the renewal of the General Mandate for interested person transactions		

Dated this ____________ day of ________________________ 2015

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal
* Delete accordingly

IMPORTANT. Please read notes overleaf

Notes:–

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

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

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

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

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 100 Cecil Street, #07-01/02 The Globe, Singapore 069532 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

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

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Personal data privacy:

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

AFFIX
STAMP

The Company Secretary
LINDETEVES-JACOBERG LIMITED
100 Cecil Street
#07-01/02 The Globe
Singapore 069532

CORPORATE
INFORMATION

BOARD OF DIRECTORS

ANDREAS SCHINDLER
Non-Executive,
Non-Independent Chairman

WOLFGANG KLOSER
Chief Executive Officer
(resigned on 28 Feb 2015)

CHEN YINGZHU
(appointed on 1 Mar 2015)
Chief Executive Officer

VOLKER FELIX ZULECK
Independent Director

KNUT UNGER
Lead Independent Director

AUDIT COMMITTEE

VOLKER FELIX ZULECK
Chairman & Independent Director

KNUT UNGER
Member / Independent Director

ANDREAS SCHINDLER
Member / Non-Executive
& Non-Independent Director

NOMINATING COMMITTEE

VOLKER FELIX ZULECK
Chairman & Independent Director

KNUT UNGER
Member / Independent Director

WOLFGANG KLOSER
Chief Executive Officer
(resigned on 28 Feb 2015)
Member / Non-Independent Director

CHEN YINGZHU
(appointed on 1 March 2015)
Member / Non-Independent Director

REMUNERATION COMMITTEE

VOLKER FELIX ZULECK
Chairman & Independent Director

KNUT UNGER
Member / Independent Director

ANDREAS SCHINDLER
Member / Non-Executive &
Non-Independent Director

COMPANY SECRETARY

ANG SIEW KOON, ACIS

LOW SIEW TIAN, ACIS

REGISTERED OFFICE

100 Cecil Street,
#07-01/02, The Globe
Singapore 069532
Tel No: (+65) 6227 0308
Fax No: (+65) 6227 0605
Email: mgt@linjacob.com

REGISTRAR, AGENT AND TRANSFER OFFICER

TRICOR BARBINDER SHARE REGISTRATION SERVICES
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Singapore 048581
(appointed from financial year ended
31 December 2012)
Audit Partner: Jeya Poh Wan Suppiah

Lindeteves - Jacoberg Limited

Co. Reg. No: 194700172G
100 Cecil Street, #07-01/02, The Globe, Singapore 069532
Tel: 6227 0308 • Fax: 6227 0605 • Email: mgt@linjacob.com
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