ISR

ISR CAPITAL LIMITED | 威豪投资集团

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ISR CAPITAL LIMITED ANNUAL REPORT 2015

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ANNUAL REPORT **2015**



Contents

2	LETTER TO SHAREHOLDERS
4	DIRECTORS' PROFILES
6	FINANCIAL HIGHLIGHTS
7	CORPORATE INFORMATION
8	CORPORATE GOVERNANCE STATEMENT
31	STATEMENT BY DIRECTORS
36	INDEPENDENT AUDITOR'S REPORT
39	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
41	BALANCE SHEETS
43	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
45	CONSOLIDATED STATEMENT OF CASH FLOWS
47	NOTES TO THE FINANCIAL STATEMENTS
125	SHAREHOLDERS' STATISTICS AND DISTRIBUTION
127	NOTICE OF ANNUAL GENERAL MEETING
	PROXY FORM

LETTER TO SHAREHOLDERS

Dear valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of ISR Capital Limited (the "Company" and together with its subsidiaries, "ISR" or the "Group") for the financial year ended 31 December, 2015 ("FY2015").

We at ISR continued to face significant challenges in our business and that has entailed the disposal of our fund management business in the first quarter of FY2015.

Nonetheless, our focus remains on the primary objective of generating returns to shareholders. Hence a key initiative for the Group was the proposed issuance of convertible redeemable bonds. This finally took effect in the third quarter of FY2015, when the Group received shareholders' approval in September 2015, right after having obtained the required in-principle approval from the SGX on the proposed issue only in August 2015, a time line which took longer than originally anticipated, and that slowed the progress of the Group.

This gave ISR the resources to follow through on business activities which contributed to the Group's revenue for FY2015. The Group's overall revenue of S$3 million for FY2015 – a significantly higher sum than the Group's revenue of S$131,000 in the preceding year – was largely due to the management consultancy fees earned from deal structuring and coupon income from our debt securities portfolio. This enabled the Group to register a net profit of approximately S$667,000 for FY2015, which was a considerable improvement from the FY2014 loss of S$8.8 million, and a very significant achievement which puts us in a far better position.

2016 thus far was one that presented everyone with a challenging economic environment, which led to lowering of business confidence and bearish sentiments in the market. Given this prevailing situation, we see opportunities in our search for new businesses and interesting distressed assets to invest in that are sensibly priced and offer good returns on investments.

The current slowdown may facilitate better prospects in terms of investments for the Group and we see this as an opportunity to grow. These developments give us reason to be optimistic going forward as we proceed with rebuilding our business. We are on track with our turnaround plans as we continue to be selective in our deal structuring role where we have been successful in FY2015. We shall continue to actively raise funds from convertible bonds, and employ them in businesses we are confident will provide good returns whilst being mindful of the underlying risks, with the ultimate objective of showing safe returns for our investors.

LETTER TO SHAREHOLDERS

However I would be remiss not to highlight the impending change in ISR's operating environment for the year ahead. The SGX has introduced the Minimum Trading Price ("MTP") rule in March 2015, which requires all mainboard listed companies such as ISR to maintain a minimum trading price of S$0.20, based on the volume weighted average price of their shares for the six months prior to the date of review. ISR has to comply with the MTP requirement by 1 September 2016. The Company can either seek an in-principle approval from SGX and approval from shareholders via an Extraordinary General Meeting to transfer to the Catalist before that date, or if that is not a possibility and the Company is in non-compliance with the MTP requirement, it can potentially be placed onto the SGX Watch List. It should be borne in mind that the Company's outstanding convertible redeemable bonds have a direct effect on the share price.

In any event, the Group's objective of building a fundamentally sound investment business remains intact, and we remain confident and focused on progressing along this track irrespective of which operating environment we may be presented with.

Finally, I would like to extend a warm welcome to Mr Levin Lee Keng Weng, who joined us as an Independent Director on 1 February 2016, and to register my appreciation to all at ISR, the Board of Directors for their active contributions, to Management for their tenacity and dedication, and my sincere appreciation to all our business partners for their continued support and confidence in ISR.

On behalf of the Board, I would like to thank you for your continued support and look forward to building your confidence in us as we progress.

Datuk Md Wira Dani Bin Abdul Daim
Executive Chairman and Executive Director

DIRECTORS' PROFILES

Datuk Md Wira Dani Bin Abdul Daim
Executive Chairman and Executive Director

Datuk Md Wira Dani Bin Abdul Daim was appointed to the Board on 30 April 2012 and was re-designated as Executive Chairman on 1 October 2015. He is also a member of the Nominating Committee.

Datuk Md Wira Dani is actively involved in his family's merger and acquisitions business activities. These activities relate to power resources in the coal and oil sectors in Malaysia, Indonesia and Africa.

Currently, he is a Non-Executive Director of Liongold Corp Ltd, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"), a Non-Executive Director of GCM Resources plc, a company listed on the London Stock Exchange and Chairman of Astute Capital Limited, a company incorporated in the British Virgin Islands. He is also a Director of the following private companies that are incorporated in Malaysia: Dani Sdn Bhd, Daza Holdings Sdn Bhd, Menara Ampang Sdn Bhd, Ibu Kota Development Sdn Bhd, Maya Seni Holdings Sdn Bhd and Central Base (M) Sdn Bhd. He was previously a Non-Executive Director of Byford International Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, and a Non-Executive Director and Deputy Chairman of Magnus Energy Group Ltd, a company listed on the Catalist Board of the SGX-ST.

He holds a Bachelor of Arts and a Master of Arts from the University of Cambridge.

Ms Quah Su-Yin
Chief Executive Officer and Executive Director

Ms Quah Su-Yin is our Chief Executive Officer and Executive Director. She was appointed to the Board on 29 April 2011.

She comes with more than 21 years business experience with 15 years in the investment management business, and has held senior roles in large bank backed as well as small boutique fund management companies in the South East Asian region. Her earlier professional experience includes business risk consultancy within a regional investment holding conglomerate with exposure in multimedia, telecommunication, and gaming industries, and formal legal practice.

Ms Quah holds a Master of Business Administration from the Australian Graduate School of Management of the University of New South Wales, Bachelor of Laws and Bachelor of Economics degrees from the University of Adelaide, and a Graduate Diploma in Legal Practice from the University of South Australia. She was admitted as a legal practitioner to the Supreme Court of South Australia and an advocate and a solicitor to the Malaysian Bar.

Mr Kwok Wei Woon
Lead Independent Director

Mr Kwok Wei Woon is our Lead Independent Director and our Chairman for Audit Committee. He was appointed to the Board on 14 May 2012 and is also a member of the Remuneration Committee and Nominating Committee.

Mr Kwok was the Deputy General Manager and Head of Products and Research with Professional Investment Advisory Services Pte Ltd up to January 2016. He has more than 17 years' experience in the financial services industry and

has held senior roles with global financial institutions like Standard Life; JP Morgan Private Wealth Management; UBS AG and Standard Chartered.

Apart from his professional roles, he is active in non-profit organisations. He is currently the President of the Financial Planning Association of Singapore and Audit Committee Chairman for Singapore Gymnastics.

Mr Kwok is also currently an Independent Director of Asia Fashion Holdings Limited and Chiwayland International Limited, both of which are listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST").

Mr Kwok graduated with a Master of Commerce degree (majoring in advance finance) and a Bachelor of Commerce degree (majoring in Accounting and Finance) from University of New South Wales. He is also a Certified Financial Planner ("CFP") and a certified accountant with CPA Australia.

Dato' Seri Krishna Kumar Sivasubramaniam, JP
Independent Director

Dato' Seri Krishna Sivasubramaniam is our Independent Director and was appointed to our Board on 24 July 2013. He is Chairman of the Nominating Committee and a member of the Audit Committee.

Dato' Seri Krishna Sivasubramaniam is the Managing Partner of Messrs Krish Maniam & Co. which is a regional commercial firm with offices in various other countries. He was previously a board member of Kuantan Flour Mills Berhad and Bio Osmo Berhad, both of which are listed in Bursa Saham, Malaysia.

Dato' Seri Krishna Sivasubramaniam was educated in Croydon, Surrey in the United Kingdom and graduated with a bachelor degree in law with honours from the University of Wales.

Mr Levin Lee Keng Weng
Independent Director

Mr Levin Lee is our Independent Director and was appointed to our Board on 1 February 2016. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Mr Lee is presently the fund manager of Sino Pacific Capital Limited, a Hong Kong registered company, managing a private equity fund with assets under management of US$100 million, investing mainly in equities in Malaysia, Singapore, Thailand and Hong Kong. He is also a Director of Ace Peak Capital Group Pte Ltd, Singapore incorporated company, which is principally a private equity investment company, advising on strategic investments and operational activities. He is also an Advisor to the board of directors of Grand Ages Precious Metals Ltd, a Hong Kong based gold bullion trader (physical and paper), where he advises the board on investment strategies.

He was previously an Advisor (Trading and Operations) to Wincash Apolo Gold & Energy Inc, a company incorporated in Nevada, USA and is based in Hong Kong with principal activities in gold and precious metals exploration and mining and is traded on the Nasdaq OTC market, where he advised the company on fund raising and corporate strategies.

FINANCIAL HIGHLIGHTS

	2015	2014	Increase/ (Decrease)
	S$ '000	S$ '000	%
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Revenue (from continuing operations)	2,995	131	2,186.3
Total Profit/(Loss)	667	(8,767)	(107.6)
Balance Sheets			
Total Assets	5,754	2,436	136.2
Total Liabilities	2,747	949	189.5
Total Equity	3,007	1,487	102.2

	2015	2014	Increase/ (Decrease)
	(%)	(%)	(%)
Ratios			
Return On Equity	22.2	(589.6)	(103.8)
Return On Assets	11.6	(359.9)	(103.2)

	2015	2014	Increase/ (Decrease)
	(cents)	(cents)	(%)
Per Ordinary Share			
Basic earnings/(loss) per share	0.27	(4.08)	(106.6)
Diluted earnings/(loss) per share	0.22	(4.08)	(105.4)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Md Wira Dani Bin Abdul Daim
Executive Chairman and Executive Director

Quah Su-Yin
Chief Executive Officer and Executive Director

Kwok Wei Woon
Lead Independent Director

Dato' Seri Krishna Kumar Sivasubramaniam
Independent Director

Levin Lee Keng Weng
Independent Director

AUDIT COMMITTEE

Kwok Wei Woon – Chairman
Dato' Seri Krishna Kumar Sivasubramaniam
Levin Lee Keng Weng

NOMINATING COMMITTEE

Dato' Seri Krishna Kumar Sivasubramaniam – Chairman
Datuk Md Wira Dani Bin Abdul Daim
Kwok Wei Woon

REMUNERATION COMMITTEE

Levin Lee Keng Weng – Chairman
Dato' Seri Krishna Kumar Sivasubramaniam
Kwok Wei Woon

COMPANY SECRETARIES

Vincent Lee Chung Ngee
Teo Meng Keong
Tan Wee Sin

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AUDITORS

RT LLP
1 Raffles Place
#17-02 One Raffles Place
Singapore 048616
Partner-in-charge: Su Chun Keat
(Appointed in Financial Year 2015)

SHARE REGISTRAR

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

PRINCIPAL BANKER

United Overseas Bank Limited
1 Raffles Place #23-61
One Raffles Place Tower 2
Singapore 048616

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors (the "Board") of ISR Capital Limited (the "Company") is committed to uphold good corporate governance within the Company and its subsidiaries (the "Group"). This commitment to corporate governance is seen in their continuous support of the Code of Corporate Governance in their effort to observe high standards of transparency, accountability and integrity in managing the Group's business in order to create value for its stakeholders and safeguard the Group's assets.

This Statement describes the practices which the Company has taken with respect to each of the principles and guidelines and the extent of its compliance with the revised Code of Corporate Governance 2012 (the "Code") during the financial year ended 31 December 2015 ("FY2015"). Where there are deviations from the Code, appropriate explanations will be provided.

BOARD MATTERS

The Board's Conduct of Affairs

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

The Company is headed by an effective Board, comprising competent individuals with diversified background and collectively brings with them a wide range of experience, to lead and control the Company.

The Board's principal functions are:

- Setting the strategic directions and long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- Reviewing and approving financial policies, investments and divestment proposals, major funding proposals;
- Approving the Group's annual business plan including the annual budget, capital expenditure and operational plans;
- Reviewing and evaluating the adequacy and integrity of the Group's internal controls, risk management and financial reporting system;
- Identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- Considering sustainability issues including environmental and social factors in the formulation of the Group's strategies; and
- Ensuring accurate and timely reporting in communication with shareholders.

CORPORATE GOVERNANCE STATEMENT

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of these committees is also constantly reviewed by the Board. The roles and responsibilities of the AC, NC and RC are provided for in the latter sections of this Corporate Governance Statement.

The full Board meets on a regular basis and as when necessary, to address any significant matters that may arise.

As provided for under Article 97 of the Company's Constitution, the Directors of the Company may participate in any meeting of Directors by means of a conference telephone, video conferencing, audio visual or other similar communications equipment by means of which all persons participating in the meeting can hear each other.

The number of Board and Board Committee meetings held during FY2015 and the attendance of each Director where relevant is as follows:–

Type of meetings	Board	AC	NC	RC
No. of meetings held in FY2015	5	4	2	2
Attendance				
Datuk Md Wira Dani Bin Abdul Daim[(1)]	3/5	2/3	1/2	1/2
Ms Quah Su-Yin	5/5	N/A	N/A	N/A
Mr Kwok Wei Woon	5/5	4/4	2/2	2/2
Dato' Seri Krishna Kumar Sivasubramaniam	5/5	4/4	2/2	2/2
Mr Levin Lee Keng Weng[(2)]	N/A	N/A	N/A	N/A

N/A – Not applicable

(1) Datuk Md Wira Dani Bin Abdul Daim was re-designated as Executive Chairman and Executive Director and ceased to be a member of the Audit Committee and Remuneration Committee with effect from 1 October 2015.

(2) Mr Levin Lee Keng Weng was appointed as Independent Non-Executive Director, member of Audit Committee and Remuneration Committee on 1 February 2016. He was subsequently re-designated as Chairman of Remuneration Committee on 25 February 2016.

CORPORATE GOVERNANCE STATEMENT

The Board has identified the following areas for which the Board has direct responsibility for decision making:

- Approving the Group's major investments and funding decisions;
- Approving the Group's half-year and full-year results announcements for release via the SGXNET in accordance with the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST");
- Approving annual report and audited financial statements;
- Convening of shareholders' meetings;
- Approving of corporate strategies;
- Approving corporate or financial restructuring;
- Approving annual management plans and budgets; and
- Approving of material acquisitions and disposal of assets.

While matters relating to the Group's objectives, strategies and policies require the Board's decision and approval, Management is responsible for the day-to-day operation and administration of the Group.

Upon appointment, each Director will receive appropriate training to ensure that the Director is familiar with the Group's business, financial performance and governance practices. Newly appointed Directors will receive a formal appointment letter setting out their duties and obligations. The Directors are continuously updated with the changes to relevant laws, regulations, changing commercial risks and accounting standards. To enable the Directors to remain updated with the law and corporate governance practices, the Company continues to provide a training budget for the Directors to fund their participation at industry conferences and seminars, and attendance at any training course, where required.

During the year, the Board was briefed and updated on the changes to the Companies Act (Chapter 50) of Singapore and Listing Manual. All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in the relevant training courses, seminars and workshops as relevant and/or applicable.

CORPORATE GOVERNANCE STATEMENT

Board Composition and Guidance

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

As at 31 December 2015, the Board consisted of four (4) members comprising the Executive Chairman, the Chief Executive Officer ("CEO") and two (2) Independent Non-Executive Directors. Subsequently on 1 February 2016, the Company had appointed another Independent Non-Executive Director to the Board. As Independent Directors make up more than half of the Board, there is a strong independent element on the Board and no individual or groups of individuals are able to dominate the Board's decision-making process. The Independent Directors provide the Board with independent and objective judgment on the corporate affairs of the Group. They have the necessary experience to assist the Board in decision making and to provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company.

The profile of each Director is presented on pages 4 to 5 of this Annual Report.

On an annual basis and upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommends to the Board as to whether the Director is to be considered independent.

The Board examines its size and after taking into account the scope and nature of the Company's operations as well as the diversified background and experience of the Directors that provide core competencies in areas such as finance, accounting, legal, business management, industry knowledge and strategic planning experience, is satisfied that the Board is of an appropriate size to facilitate effective decision making.

The Non-Executive Directors constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of Management in meeting agreed objectives and monitor the reporting performance. On the effectiveness, the Independent Directors have full access and co-operation from the Company's Management and officers including on a regular basis, the critical financial performance is presented for review. The Independent Directors have full discretion to have separate meetings and invite any Directors or officers to the meetings and to meet without the presence of Management as and when warranted by certain circumstances.

CORPORATE GOVERNANCE STATEMENT

Chairman and Chief Executive Officer

Principle 3: ***There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.***

Datuk Md Wira Dani Bin Abdul Daim was re-designated as Executive Chairman of the Company on 1 October 2015 while Ms Quah Su-Yin is the Executive Director and Chief Executive Officer ("CEO").

The Board subscribes to the principles set out in the Code on the separation of roles of the Chairman and the CEO. There is a clear division of responsibilities between the Chairman and the CEO, which ensures that there is a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Chairman bears the responsibility for the effective conduct of the Board as well as setting directions, policies and strategies for the growth of the Group's business whilst the CEO bears the executive responsibility for the execution of the Group's strategy and operation of the Group's business. The Executive Chairman and CEO are not related.

The Chairman ensures that Board meetings are held when necessary and sets Board meeting agenda in consultation with the CEO. The Chairman and the CEO ensure that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Group.

The Chairman should:

(a) lead the Board to ensure its effectiveness on all aspects of its role;
(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
(c) promote a culture of openness and debate at the Board;
(d) ensure that the Directors receive complete, adequate and timely information;
(e) ensure effective communication with shareholders;
(f) encourage constructive relations within the Board and between the Board and Management;
(g) facilitate the effective contribution of Non-Executive Directors in particular; and
(h) promote high standards of corporate governance.

CORPORATE GOVERNANCE STATEMENT

For good corporate governance, Mr Kwok Wei Woon has been appointed as the Lead Independent Director of the Company. Shareholders of the Company with serious concerns that could have a material impact on the Group, for which contact through the normal channels of the Chairman, CEO or Group Financial Controller have failed to resolve or is inappropriate, shall be able to contact Mr Kwok or the Audit Committee members of the Company.

Board Membership

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

The Company had established a Nominating Committee ("NC") to make recommendations to the Board on all board appointments. The NC comprises the following three (3) Directors, a majority of whom including the Chairman of the NC, are Independent Non-Executive Directors:

1. Dato' Seri Krishna Kumar Sivasubramaniam (Chairman)
2. Datuk Md Wira Dani Bin Abdul Daim
3. Mr Kwok Wei Woon

The NC Chairman is not associated with any substantial shareholders of the Company.

The NC is governed by the NC's Terms of Reference which describes the duties and functions of the NC.

The duties and functions of the NC are as follows:–

(a) to make recommendations to the Board on all board appointments, including re-nominations, having regard to the Director's competencies, commitment, contribution and performance (for example attendance, preparedness, participation, candour and others);
(b) to determine annually whether a Director is independent;
(c) where a Director has multiple board representations, to decide whether a Director is able to and has adequately carried out his duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards;

(d) to decide how the Board's performance may be evaluated and propose objective performance criteria that allow comparison with industry peers, for approval by the Board, and that address how the Board has enhanced long-term shareholders' value;
(e) to review the structure, composition and size of the Board;
(f) to review board succession plans for Directors; and
(g) to determine the appropriate training and professional development program for the Board.

The Company's Constitution provides that at each Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) but not less than one-third (1/3) shall retire by rotation and that all the Directors (other than a Director holding the office as Managing Director) shall retire by rotation at least once every three (3) years and such retiring Director shall be eligible for re-election.

Where a vacancy arises, the NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives, the NC will recommend the candidate to the Board for approval. Under the Company's Constitution, a newly appointed Director shall retire at the AGM following his/her appointment and he/she shall be eligible for re-election.

At the forthcoming AGM, Mr Kwok Wei Woon and Dato' Seri Krishna Kumar Sivasubramaniam will retire by rotation pursuant to Article 89 while Mr Levin Lee Keng Weng will retire pursuant to Article 88 of the Company's Constitution.

Name of Director	Position	Date of First Appointment	Date of last Re-election
Datuk Md Wira Dani Bin Abdul Daim	Executive Chairman	30 April 2012	28 April 2015
Ms Quah Su-Yin	Chief Executive Officer	29 April 2011	28 April 2015
Mr Kwok Wei Woon	Lead Independent Director	14 May 2012	12 June 2014
Dato' Seri Krishna Kumar Sivasubramaniam	Independent Director	24 July 2013	12 June 2014
Mr Levin Lee Keng Weng	Independent Director	1 February 2016	Not Applicable

The NC had recommended to the Board that Mr Kwok Wei Woon, Dato' Seri Krishna Kumar Sivasubramaniam and Mr Levin Lee Keng Weng be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the Directors' overall contributions and performance.

Mr Kwok Wei Woon will, upon re-election as Director, remain as the Chairman of the AC and a member of the RC and NC. Mr Kwok is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Dato' Seri Krishna Kumar Sivasubramaniam will, upon re-election as Director, remain as the Chairman of the NC and a member of the AC and RC. Dato' Seri Krishna Kumar Sivasubramaniam is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Mr Levin Lee Keng Weng will, upon re-election as Director, remain as the Chairman of the RC and a member of AC. Mr Lee is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

The NC has considered and taken the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively. Currently, none of the Directors hold more than five (5) directorships in other listed companies. During the financial year under review, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations, and there is presently no need to implement internal guidelines to address their competing time commitments. The NC is also of opinion that the current board size is adequate for the effective functioning of the Board.

In regard to the independence of the Directors, the NC has affirmed that all three (3) Independent Directors are independent and free from any relationship outlined in the Code. Each of the Independent Directors has also confirmed his independence. None of the Independent Directors have served on the Board beyond nine (9) years from their respective date of appointment.

The Company does not have any alternate Directors' as the Board does not encourage the appointment of alternate Directors unless in exceptional cases.

CORPORATE GOVERNANCE STATEMENT

Board Performance

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

The Board has implemented a process in which NC will coordinate a formal assessment of the effectiveness of the Directors and the Board Committees.

On an annual basis, the NC in consultation with the Chairman of the Board, will review and evaluate the performance of the Directors and the Board as a whole. Each Director is invited to complete a Board Assessment to appraise the performance and contributions of the Directors, including the Chairman of the Board. This includes taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

The completed assessment is then submitted for compilation and the NC will assess the results of the questionnaire and report key findings to the Board. The NC has assessed the Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory. The NC is satisfied that despite some of the Directors having board representations in other listed companies, the Directors are able to and have adequately carried out their duties as Directors of the Company.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

CORPORATE GOVERNANCE STATEMENT

Access to Information

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

The Board has separate and independent access to the senior management and external auditors of the Group at all times. Request for information is dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. The information made available to the Directors are in various forms such as half-year and full-year financial results, progress reports of the Group's operations, corporate developments, regulatory updates, business developments and audit reports. Management also consults with Board members regularly and whenever necessary and appropriate. The Board is issued with Board papers timely prior to Board meetings.

Management's proposals to the Board for approval include background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. In order to keep Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an on-going basis.

The Directors also have separate and independent access to the company secretaries. The roles of the company secretaries are to administer, attend and prepare minutes of Board meetings, assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Constitution, Listing Manual of the SGX-ST and other relevant rules and regulations applicable to the Company are complied with. The company secretary also attends all Board meetings. The appointment and removal of the company secretaries are decided by the Board as a whole.

A calendar of activities is scheduled for the Board a year in advance, with Board papers and agenda items dispatched before hand to Directors, with sufficient lead-time for Directors to peruse, review and consider the items tabled at the relevant Board meetings so that the discussions at such meetings can be more meaningful and productive.

The Board in fulfilling its responsibilities can as a group or individually, when deemed fit, direct the Company, at the Company's expense, to appoint an independent professional adviser, to render professional advice.

CORPORATE GOVERNANCE STATEMENT

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 7: ***There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

The Remuneration Committee ("RC") comprises the following three (3) Directors, all of whom including the Chairman of the RC, are Independent Non-Executive Directors:

1. Mr Levin Lee Keng Weng (Chairman)
2. Mr Kwok Wei Woon
3. Dato' Seri Krishna Kumar Sivasubramaniam

The RC is governed by the RC's Terms of Reference which describes the duties and powers of the RC.

The RC is responsible:–

(a) to recommend to the Board a framework of remuneration for the Board and key management personnel, and to determine specific remuneration packages for each Executive Director, which covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) in the case of service contracts of Directors (if any), to review and to recommend to the Board, the terms of renewal of service contracts and to consider the compensation commitments of the service contracts in the event of early termination;

(c) in respect of any long term incentive schemes including any share option or share scheme, to administer and to consider whether an employee or Director is eligible for the benefits under such scheme;

(d) to appoint and retain such professional consultancy firm deemed necessary to enable the RC to discharge their duties satisfactorily; and

(e) to review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC's recommendations are made in consultation with the Chairman of the Board and submitted to the entire Board for endorsement.

The RC ensures that the remuneration packages of the Executive Chairman and the CEO are in line with the Company's compensation policy. They also consider and review the disclosure of Directors' remuneration in the annual report. The RC will also ensure that the Independent Directors are not compensated excessively to the extent that their independence may be compromised. The Directors are not involved in the discussion and determination of their own remuneration.

If necessary, the RC would seek professional advice internally and/or externally pertaining to remuneration of all Directors.

Level and Mix of Remuneration

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

In setting remuneration package for Executive Directors and the key management personnel, who are not Directors or CEO of the Company, the performance related elements of remuneration form a significant portion of the total remuneration package. This is to align their interests with those of shareholders, promote the long term success of the Group, and to link rewards to corporate and individual performance. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution, effort and time spent, and the responsibilities of the Directors.

The Directors' Fees paid to the Non-Executive Directors of the Company each year are subject to the approval of the Company's shareholders at the AGM.

CORPORATE GOVERNANCE STATEMENT

Disclosure of Remuneration

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

The remuneration of the Directors for FY2015 is disclosed below. The disclosure is to enable investors to understand the link between the remuneration paid to Directors and their performance. The remuneration for the Executive Directors comprises fixed and variable components. The fixed component is in the form of fixed monthly salary whereas the variable component is linked to the performance of the Group and the individual.

The remuneration of each Director has been disclosed in the respective bands. The Board is of the opinion that given the confidentiality of and commercial sensitivity attached to remuneration matters and to be in line with the interest of the Company, the remuneration will not be disclosed in dollar terms.

The breakdown (in percentage terms) of each Directors' remuneration for FY2015 are as follows:–

	Salary*	Bonus*	Other Benefits	Directors' Fees	Total
Directors	**%**	**%**	**%**	**%**	**%**
S$250,000 – S$500,000					
Ms Quah Su-Yin	90	6	4	–	100
Below S$250,000					
Datuk Md Wira Dani Bin Abdul Daim[(1)]	39	13	9	39	100
Mr Kwok Wei Woon	–	–	–	100	100
Dato' Seri Krishna Kumar Sivasubramaniam	–	–	–	100	100
Mr Levin Lee Keng Weng[(2)]	N/A	N/A	N/A	N/A	N/A

* *Inclusive of employer's contributions to defined contribution plan*

(1) Datuk Md Wira Dani Bin Abdul Daim was re-designated as Executive Chairman and Executive Director with effect from 1 October 2015.

(2) Mr Levin Lee Keng Weng was appointed as Independent Non-Executive Director, member of Audit Committee and Remuneration Committee on 1 February 2016. He was subsequently re-designated as Chairman of Remuneration Committee on 25 February 2016.

In view of the confidentiality of the remuneration matters and given that the industry is very competitive in terms of hiring key personnel, the Board is of the opinion that it is in the best interest of the Company and the Group not to disclose the identity and remuneration bands of key management personnel in the annual report. In aggregate, the total remuneration paid to the top three key management personnel for the financial year ended 31 December 2015 is approximately S$481,000.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Chairman and CEO and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Executive Chairman and CEO owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Chairman and CEO in the event of such breach of fiduciary duties.

The Company does not have any employee who is an immediate family member of a Director or the CEO, whose remuneration for FY2015 exceeds S$50,000.

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is responsible to provide a balanced and understandable assessment of the Company's performance, position and prospects, to its shareholders, the public and regulators. Management provides the Board with management accounts, operations review and related explanations and any other information as the Board may require together with the financial statements on a quarterly basis.

The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the relevant statutory and regulatory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced and issued within the statutory prescribed periods.

CORPORATE GOVERNANCE STATEMENT

Risk Management and Internal Controls

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

The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' interests and the Group's assets. The system of internal controls provides a reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Audit Committee ("AC") and the Board believe that in the absence of any evidence to the contrary and from due enquiry, the system of internal controls that has been maintained by the Group's Management and that was in place throughout the financial year and up to the date of this report is adequate to meet the needs of the Group in its current business environment.

The Group has a formal Risk Management Framework for identification of key risks within the business. The Group regularly reviews its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

The AC assists the Board in the oversight of risk management in the Group. It reviews the effectiveness of the overall risk management system in meeting sound corporate governance principles. The Group's risk management process is an ongoing process and requires continuing identification, assessment, monitoring and management of significant risks. The AC will report any material matters including findings and recommendations pertaining to risk management to the Board.

As part of the annual statutory audit, the Group's external auditor conducted an annual review, in accordance with their audit plan, of the effectiveness of the Group's material internal controls relevant to the Group's preparation of financial statements. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC as part of their review. The AC also reviews the effectiveness of the actions taken on the recommendations made by the external auditor in this respect, if any.

CORPORATE GOVERNANCE STATEMENT

The Company has disclosed that it is assisting with an investigation by the Commercial Affairs Department of the Singapore Police Force ("CAD") in a public announcement dated 3 April 2014. In response to the on-going investigation by CAD, the Board has put in place the following measures and controls to further safeguard the shareholders' interests in the Company:

(a) Management to notify the AC and seek AC's approval before any investment transactions are undertaken by the Group.
(b) The Group's business continuity plan should be enhanced to include identifying suitable personnel to replace any key executive or employee.

In the absence of any evidence to the contrary, it is the opinion of the Board, with the concurrence of the AC, that the risk management and system of internal controls maintained by the Group's Management that is in place throughout FY2015 and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational, information technology and compliance risks. The Board notes that all risk management and system of internal control contain inherent limitations and no risk management and system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, the work performed by the internal and external auditors and the documentation on the Group's key risks, reviews performed by Management, AC and the Board, the AC and the Board are of the opinion that the Group's risk management and internal controls, addressing financial, operational, information technology and compliance risks, were adequate. This is in turn supported by assurance from the CEO and the Group Financial Controller that:

(a) the financial records of the Group have been properly maintained; and
(b) they have evaluated the effectiveness of the Group's risk management and internal controls and have discussed with the Group's external and internal auditors of their reporting points and note that there have been no significant deficiencies in the design or operation of risk management and internal controls which could adversely affect the Company's ability to record, process, summarise or report financial data.

CORPORATE GOVERNANCE STATEMENT

As of the date of this statement, the Company did not receive any further update on the outcome of the investigation from the CAD and the Company is not aware of any offence that has been committed. Given the uncertainties in relation to the target(s) and subject matter of the on-going investigation by CAD, the CEO and the Group Financial Controller are not able to ascertain the impact of these investigations, if any, to the Company and the Group and to their ongoing business operations and furthermore, the implications of such investigations, if any, to the Group's and the Company's financial statements for the financial year ended 31 December 2015. The Company remains unaware of the commission of any offence in connection with the CAD investigation.

Apart from the CAD investigation which has given rise to some uncertainties, the Company (and its affiliates) have kept full and proper accounting records, the full access whereof were provided and fully disclosed to the independent auditors.

Audit Committee

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

The AC comprises the following three (3) Directors, all of whom including the Chairman of the AC, are Independent Non-Executive Directors:

1. Mr Kwok Wei Woon (Chairman)
2. Dato' Seri Krishna Kumar Sivasubramaniam
3. Mr Levin Lee Keng Weng

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities. Mr Kwok Wei Woon, Dato' Seri Krishna Kumar Sivasubramaniam and Mr Levin Lee Keng Weng are all qualified professionals and they possess the requisite accounting and financial management expertise and experience.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on the financial statements, with regular updates by the independent auditors on changes or amendments to accounting standards.

The AC is governed by its Terms of Reference which highlights its duties and functions as follows:–

(a) to review with the external auditor, the audit plan, their evaluation of the Group's system of internal accounting controls, their audit report, management letter and Management's responses; and also to review the assistance given by the Company's officers to the external auditor;
(b) to review the scope and results of audit and its cost effectiveness and the independence and objectivity of the external auditor. Where the external auditor also provides a substantial volume of non-audit services to the Company, to review the nature and extent of such services to maintain the balance of objectivity and value for money;
(c) to review the half-year and full-year financial results of the Company and the consolidated financial statements of the Group before submission to the Board for approval;
(d) to review annually the effectiveness of the Company's material internal controls including financial, operational, information technology and compliance control and risk management;
(e) to review the independence of the external auditor annually;
(f) to consider and make recommendations to the Board on the appointment, re-appointment and removal of external auditor, their remuneration and terms of engagement;
(g) to ensure that the internal audit function, is adequately resourced and has appropriate standing within the Company and to review the adequacy of the function annually;
(h) to review the scope and results of the internal audit procedures;
(i) to meet with the external and internal auditors without the presence of Management, annually;
(j) to review interested persons transactions to comply with the rules of the Listing Manual of the SGX-ST and other relevant statutory requirements and any potential conflicts of interest; and
(k) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the operating results and financial position of the Group.

The AC has the power to conduct and authorise investigations into matters within the AC's scope of responsibility. The AC also has full access to and co-operation of the Company's Management and has full discretion to invite any Director or executive officer to attend the AC meetings, and has been given the reasonable resources to enable it to discharge its functions.

CORPORATE GOVERNANCE STATEMENT

During FY2015, the AC met four (4) times to discuss the following matters:–

(a) reviewed the draft announcements of the unaudited results for the full-year ended 31 December 2014 and the half-year ended 30 June 2015, before recommending it to the Board for approval;
(b) reviewed the external auditor's report for the financial year ended 31 December 2014;
(c) reviewed the nature and extent of non-audit services provided by the external auditor during the financial year ended 31 December 2014 and reviewed the external auditor's independence;
(d) met with the external auditor without the presence of Management;
(e) reviewed the adequacy of the scope of the Group's internal audit function and ensuring its appropriate standing within the Group for the financial year ended 31 December 2015;
(f) reviewed the internal auditor's Internal Audit Report for the financial year ended 31 December 2015;
(g) reviewed the interested persons transactions (if any);
(h) reviewed the Corporate Governance Statement for disclosure in the Company's 2014 Annual Report;
(i) proposed and recommended the appointment of the external auditor for FY2015; and
(j) reviewed and approved the external auditor's plan for the financial year ended 31 December 2015.

For FY2015, the aggregate amount of fees paid or payable to the external auditor of the Group amounted to S$57,000 including audit fees of S$49,500 and non-audit services fees of S$7,500. The AC has reviewed all non-audit services provided by the external auditor and is satisfied that these non-audit services would not affect the independence and objectivity of the external auditor.

The Company has in place a Whistle-Blowing Policy to enable persons employed by the Group a channel to report any suspicions of non-compliance with regulations, policies and fraud, etc, to the appropriate authority for resolution, without any prejudicial implications for these employees. The AC has been vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with the Listing Rules 712 and 715. In addition, the AC is satisfied that the Company has complied with Rule 717 of the Listing Manual regarding the audit of the foreign subsidiaries. The AC recommended to the Board the reappointment of Messrs RT LLP as the external auditor of the Company at the forthcoming AGM.

Internal Audit

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

The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner.

The Group has outsourced its internal audit function to Deloitte & Touche Enterprise Risk Services Pte Ltd (the "Internal Auditor"). The Internal Auditor reports directly to the Chairman of the Audit Committee.

The role of the Internal Auditor and scope of its responsibilities are as follows:

(a) Evaluates and provides reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Group's objectives and goals to be met;
(b) Reports risk management issues and internal controls deficiencies identified directly to the Audit Committee and provides recommendations for improving the Group's operations, in terms of both efficient and effective performance;
(c) Evaluates regulatory compliance with applicable laws and regulations;
(d) Evaluates information security and associated risk exposures;
(e) Evaluates the Group's readiness in case of business interruption; and
(f) Maintains open communication with Management and the Audit Committee.

To achieve its objectives, the Internal Auditor has unrestricted access to all records, properties and personnel of the Group. The Internal Auditor reviews the internal audit procedures and ensures that the internal audit function meets the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

During the year, the Internal Auditor performed a review to assess the design and operating effectiveness of the procurement and payment processes of the Company and one of its wholly-owned subsidiaries, Dynamic Return (Singapore) Pte Ltd.

The Audit Committee will review the adequacy of the internal audit function annually. Based on the Audit Committee's review, the Audit Committee believes that the Internal Auditor is independent and has the appropriate standing within the Group and has adequate resources to perform its function effectively and objectively.

CORPORATE GOVERNANCE STATEMENT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

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

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

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

The Company does not practice selective disclosure. In line with the continuous obligations of the Company pursuant to the Listing Rules of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements and press releases;
- Annual Reports and Circulars prepared and issued to all shareholders;
- Company's website at www.isrcap.com, at which shareholders may have access to information on the Group.

At the Company's general meetings, shareholders are given the opportunity to voice their views and ask Directors or Management questions regarding the Company. These meetings provide excellent opportunities for the Board to engage with shareholders to solicit their feedback. The Company's Constitution allows a shareholder to vote at any general meeting of the Company either personally or by proxy or by attorney or in the case of a corporation by a representative. If appointing a proxy, a shareholder may appoint one or two proxies to attend and vote in place of the shareholder. The Company's Constitution currently does not allow a shareholder to vote in absentia.

The Chairman of the AC, RC and NC, or members of the respective committees standing in for them, are present at each Annual General Meeting ("AGM"), and other general meetings held by the Company, if any, to address shareholders' queries. The external auditor is also present at each AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report.

There are separate resolutions at the general meetings to address each distinct issue.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Group does not have a dividend policy in place at present. The Board may consider adopting a dividend policy in the future. In determining the form, frequency and amount of dividends that the Company may recommend or declare in respect of any particular year or period, the Board will take into consideration of the Group's profit growth, cash position, projected capital requirement for business growth and other factors as the Board may deem appropriate.

The Board has not declared any dividend payment for FY2015 after taking into account various factors, including the Group's business plans and the level of funding required for the Group's operations.

The Company will put all resolutions to vote by poll at general meetings and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day.

MATERIAL CONTRACTS

There are no material contracts including loans that are either still subsisting at the end of FY2015 or entered into by the Group during FY2015, involving the interests of any Director, the CEO or the controlling shareholders.

CORPORATE GOVERNANCE STATEMENT

INTERESTED PERSON TRANSACTIONS

During FY2015, there was no interested person transaction entered into by the Group, as defined under the Listing Manual.

DEALING IN SECURITIES

In line with the Rule 1207 (19) of the Listing Manual of the SGX-ST, the Company has in place a policy prohibiting share dealings by Directors and employees of the Group when in possession of undisclosed price sensitive information or for the period of one (1) month before the release of the announcement of the Company's half-year and full year financial results, with the restriction ending on the day after the announcement of the relevant results.

Directors and employees of the Group are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period. An officer should also not deal in the Company's securities on short-term considerations. All employees of the Group have to obtain written approval before dealing in securities in their own accounts or in accounts which they have control or influence over.

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

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

DIRECTORS

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

Datuk Md Wira Dani Bin Abdul Daim
Quah Su-Yin
Kwok Wei Woon
Dato' Seri Krishna Kumar Sivasubramaniam
Levin Lee Keng Weng (appointed on 1 February 2016)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations as stated below:

	Holdings registered in name of director or nominee (No. of ordinary shares)			Holdings in which director is deemed to have an interest (No. of ordinary shares)		
The Company	**At 1.1.2015**	**At 31.12.2015**	**At 21.01.2016**	**At 1.1.2015**	**At 31.12.2015**	**At 21.01.2016**
Datuk Md Wira Dani Bin Abdul Daim	32,000,000	32,000,000	32,000,000	–	–	–
Kwok Wei Woon	70,000	70,000	70,000	–	–	–

Except as disclosed above, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or date of appointment if later or end of the financial year.

There was no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2016.

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company or any corporation in the Group.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

SHARE AWARDS

ISR Performance Share Plan

The shareholders of the Company approved the ISR Performance Share Plan (the "Share Plan") at an Extraordinary General Meeting on 8 September 2015.

The Share Plan is administered by the Remuneration Committee. The Share Plan enables the Company to award ordinary shares (the "Award") in the capital of the Company to directors and eligible employees in recognition of their contributions made to the Group.

The aggregate number of shares to be issued under that Share Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time-to-time.

No Award has been made and no ordinary shares were issued to the directors and eligible employees under the ISR Performance Share Plan during the financial year ended 31 December 2015.

Subsequent to the balance sheet date, the Company granted Awards totaling 42,161,000 new ordinary shares in the capital of the Company to directors and eligible employees on 22 March 2016.

AUDIT COMMITTEE

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

Kwok Wei Woon (Chairman)
Dato' Seri Krishna Kumar Sivasubramaniam

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

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

(i) the scope and the results of internal audit procedures with the internal auditor;

(ii) the audit plan of the Company's independent auditors and its report on the weaknesses of internal accounting controls arising from the statutory audit;

(iii) the assistance given by the Company's management to the independent auditors; and

(iv) the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 before their submission to the Board of directors, as well as the Independent Auditors' Report on the balance sheets of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the board that the independent auditor, RT LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Statement.

Pursuant to Rule 1207(6)(b), the Audit Committee has undertaken a review of all non-audit services provided by the auditors and they would not, in the Audit Committee's opinion, affect the independence of the auditors.

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

INDEPENDENT AUDITOR

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

On behalf of the board of directors

Datuk Md Wira Dani Bin Abdul Daim
Executive Chairman and Executive Director

Quah Su-Yin
Chief Executive Officer and Executive Director

8 April 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ISR CAPITAL LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ISR Capital Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated balance sheets of the Group and Company as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ISR CAPITAL LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Opinion

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

Emphasis of matter

We draw your attention to Note 34 to the financial statements, which states that in April 2014, the Company with five of its wholly owned subsidiaries (one of which has since been disposed of), and two funds (including two subsidiaries of one of the funds) managed by the subsidiary of the Company that has since been disposed of, were served notices by the Commercial Affairs Department of the Singapore Police Force ("CAD") for an investigation into an offence under the Securities and Futures Act, Chapter 289 ("SFA"). In the notices, the Company and those entities were asked to provide certain information pursuant to an investigation to be conducted by the CAD.

On 4 February 2015, the CAD confirmed to us that their investigation is still ongoing. As informed by the Board, apart from certain key personnel being requested to attend further interviews by the CAD in 2015, there have been no further new developments in the ongoing investigations.

In view of the above, there exist a material uncertainty, whether the ongoing investigation, the outcome of which is unknown, may have an impact on the Group's ongoing business operations. Accordingly, the extent of adjustments, if any, that may arise from the ongoing investigations, may have an effect on the financial statements of the Group and the Company for the financial year ended 31 December 2015 and preceding years, if any.

Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ISR CAPITAL LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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.

RT LLP
Public Accountants and
Chartered Accountants

Singapore
8 April 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group	
		2015	2014
		S$	S$
Continuing operations:			
Revenue	4	2,994,609	130,596
Other losses, net	5	(534,143)	(6,217,990)
Other income	6	532,718	319,625
Employee benefits expense	7	(1,060,378)	(1,036,674)
Depreciation	8(a)	(92,632)	(81,246)
Other operating expenses	8(b)	(1,084,234)	(1,141,613)
Finance costs	8(c)	(32,102)	(5,110)
Profit/(loss) before tax		723,838	(8,032,412)
Income tax (expense)/credit	9(a)	(4,326)	24,979
Profit/(loss) from continuing operations, net of tax		719,512	(8,007,433)
Discontinued operations			
Loss from discontinued operations, net of tax	10(b)	(52,655)	(759,564)
Total profit/(loss) for the year		666,857	(8,766,997)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale:			
– Reclassification to profit or loss on impairment of financial assets, available-for-sale		–	686,069
Currency translation differences:			
– Arising from consolidation		226	589
Other comprehensive income for the year, net of tax		226	686,658
Total comprehensive income for the year		667,083	(8,080,339)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group	
		2015	2014
		S$	S$
Profit/(loss) attributable to:			
Equity holders of the Company		667,519	(8,727,137)
Non-controlling interest		(662)	(39,860)
		666,857	(8,766,997)
Total comprehensive income attributable to:			
Equity holders of the Company		667,745	(8,040,479)
Non-controlling interest		(662)	(39,860)
		667,083	(8,080,339)
Earnings/(loss) per share for profit/(loss) from continuing and discontinued operations attributable to equity holders of the Company (Singapore cents per share)			
Basic earnings/(loss) per share	11	0.27	(4.08)
From continuing operations	11	0.29	(3.74)
From discontinued operations	11	(0.02)	(0.34)
Diluted earnings/(loss) per share	11	0.22	(4.08)
From continuing operations	11	0.24	(3.74)
From discontinued operations	11	(0.02)	(0.34)

BALANCE SHEETS
AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015	2014	2015	2014
		S$	S$	S$	S$
ASSETS					
Current assets					
Cash and cash equivalents	12	20,589	66,476	17,321	47,799
Trade receivables	13	2,890,656	–	–	–
Other receivables	14(a)	306,921	146,349	306,082	146,220
Amounts due from subsidiaries	14(b)	–	–	2,620,200	64,371
Financial assets, available-for-sale	15	1	1,038,583	–	–
Other current assets	16	16,878	17,860	14,792	14,558
		3,235,045	1,269,268	2,958,395	272,948
Assets held-for-sale		–	472,667	–	400,000
		3,235,045	1,741,935	2,958,395	672,948
Non-current assets					
Investments in subsidiaries	17	–	–	7	7
Financial assets, available-for-sale	15	–	319,454	–	–
Debt securities	18	2,236,453	–	–	–
Property, plant and equipment	19	282,358	374,990	258,858	345,491
		2,518,811	694,444	258,865	345,498
Total assets		5,753,856	2,436,379	3,217,260	1,018,446
LIABILITIES					
Current liabilities					
Other payables	20	581,128	615,833	531,665	568,033
Finance lease liabilities	21	42,164	40,916	25,497	24,250
		623,292	656,749	557,162	592,283
Liabilities directly associated with disposal group classified as held-for-sale		–	184,094	–	–
		623,292	840,843	557,162	592,283

BALANCE SHEETS
AS AT 31 DECEMBER 2015

	Note	Group		Company	
		2015	2014	2015	2014
		S$	S$	S$	S$
Non-current liabilities					
Finance lease liabilities	21	50,664	93,513	36,080	61,568
Convertible redeemable bonds	22	2,053,672	–	2,053,672	–
Deferred income tax liabilities	23	19,447	15,121	8,305	15,121
		2,123,783	108,634	2,098,057	76,689
Total liabilities		2,747,075	949,477	2,655,219	668,972
Net assets		3,006,781	1,486,902	562,041	349,474
EQUITY					
Share capital	24	22,227,388	21,549,245	22,227,388	21,549,245
Capital reserve	25	134,131	–	134,131	–
Other reserves	26	406	180	–	–
Accumulated losses		(19,355,144)	(20,022,663)	(21,799,478)	(21,199,771)
Equity attributable to owners of the Company		3,006,781	1,526,762	562,041	349,474
Non-controlling interest		–	(39,860)	–	–
Total equity		3,006,781	1,486,902	562,041	349,474

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

			Other reserves						
Group	Share capital	Capital reserve	Fair value adjustment reserve	Currency translation reserve	Sub-total	(Accumulated losses)/ retained earnings	Equity attributable to the owners of the Company	Non-controlling interest	Total equity
	S$ Note 24	S$	S$	S$ Note 26	S$	S$	S$	S$	S$
2015									
At 1 January	21,549,245	–	–	180	180	(20,022,663)	1,526,762	(39,860)	1,486,902
Issuance of new ordinary shares	678,143	–	–	–	–	–	678,143	–	678,143
Convertible redeemable bonds – equity component	–	134,131	–	–	–	–	134,131	–	134,131
Net profit/(loss) for the year	–	–	–	–	–	667,519	667,519	(662)	666,857
Other comprehensive income									
Currency translation differences arising from consolidation	–	–	–	226	226	–	226	–	226
Other comprehensive income for the year	–	–	–	226	226	–	226	–	226
Total comprehensive income for the year	–	–	–	226	226	667,519	667,745	(662)	667,083
Disposal of non-controlling interest	–	–	–	–	–	–	–	40,522	40,522
At 31 December	22,227,388	134,131	–	406	406	(19,355,144)	3,006,781	–	3,006,781

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Other reserves						
Group	Share capital	Fair value adjustment reserve	Currency translation reserve	Sub-total	Accumulated losses	Equity attributable to the owners of the Company	Non-controlling interest	Total equity
	S$ Note 24	S$	S$ Note 26	S$	S$	S$	S$	S$
2014								
At 1 January	21,549,245	(686,069)	(409)	(686,478)	(11,295,526)	9,567,241	–	9,567,241
Net loss for the year	–	–	–	–	(8,727,137)	(8,727,137)	(39,860)	(8,766,997)
Other comprehensive income								
Reclassification to profit or loss on impairment of financial assets, available-for-sale	–	686,069	–	686,069	–	686,069	–	686,069
Currency translation differences arising from consolidation	–	–	589	589	–	589	–	589
Other comprehensive income for the year	–	686,069	589	686,658	–	686,658	–	686,658
Total comprehensive income for the year	–	686,069	589	686,658	(8,727,137)	(8,040,479)	(39,860)	(8,080,339)
At 31 December	21,549,245	–	180	180	(20,022,663)	1,526,762	(39,860)	1,486,902

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group	
		2015	2014
		S$	S$
Cash flows from operating activities			
Profit/(loss) from continuing operations, net of tax		719,512	(8,007,433)
Loss from discontinued operations, net of tax	10(b)	(52,655)	(759,564)
Net profit/(loss) for the year		666,857	(8,766,997)
Adjustments for:			
Income tax expense/(credit)	9(a)	4,326	(24,979)
Depreciation	8(a)	93,192	84,350
Convertible redeemable bond interest	8(c)	26,644	–
Hire purchase interest	8(c)	5,458	5,110
Interest income		(69,767)	(73)
Impairment loss on trade and other receivables	8(b)	96,472	299,602
Impairment loss on amount due from related parties	10(b)	–	264,802
Impairment loss on financial assets, available-for-sale	5	717,705	4,519,540
Reclassification to profit or loss on impairment of financial assets, available-for-sale	5	–	686,069
(Write-back)/allowance for unutilised leave		(8,000)	9,000
Provision for bonus		143,000	–
(Gain)/loss on disposal of financial assets, available-for-sale	5	(183,562)	1,020,449
Gain on disposal of subsidiary	12	(179,247)	–
Unrealised currency translation loss		–	18,100
Operating cash flows before changes in working capital		1,313,078	(1,885,027)
Changes in working capital:			
Trade receivables, other receivables and other current assets		(2,913,692)	(93,625)
Other payables		(98,548)	349,814
Cash flows used in operating activities		(1,699,162)	(1,628,838)
Hire purchase interest paid		(5,458)	(5,110)
Interest received		274	73
Income tax paid, net	9(b)	–	(4,951)
Net cash flows used in operating activities		(1,704,346)	(1,638,826)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group	
		2015	2014
		S$	S$
Cash flows from investing activities			
Purchase of property, plant and equipment	19	–	(75,714)
Purchase of financial assets, available-for-sale		–	(300,000)
Net cash inflow on disposal of a subsidiary	12	219,168	–
Debt securities made to third party		(2,232,500)	–
Proceeds from disposal of financial assets, available-for-sale		823,894	1,216,362
Net cash flows (used in)/provided by investing activities		(1,189,438)	840,648
Cash flows from financing activities			
Proceeds from issuance of convertible redeemable bonds		2,850,000	–
Repayment of finance lease liabilities		(41,602)	(24,445)
Net cash flows provided by/(used in) financing activities		2,808,398	(24,445)
Net decrease in cash and cash equivalents		(85,386)	(822,623)
Cash and cash equivalents at 1 January		105,975	928,598
Cash and cash equivalents at 31 December		20,589	105,975
Cash and cash equivalents as per Balance Sheet	12	20,589	66,476
Cash and cash equivalents classified as "Assets held-for-sale"	12	–	39,499
Total cash and cash equivalents as per Consolidated Statement of Cash Flows (Note 12)		20,589	105,975
List of significant non-cash transactions:			
Conversion of convertible redeemable bonds to ordinary shares	24	678,143	–

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

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

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

1. CORPORATE INFORMATION

ISR Capital Limited (the "Company") is a limited liability 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 its principal place of business is located at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries consist of investment holding, private equity investments, investment advisory and business consultancy services.

The Group refers to ISR Capital Limited and its subsidiaries, as disclosed in Note 17.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Interpretations and amendments to published standards effective in 2015 (Continued)

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

FRS 108 Operating Segments

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New or revised accounting standards and interpretation

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

Description	Effective for annual periods beginning on or after
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial instruments*	1 January 2018

Management anticipates that the adoption of the above standards in the future periods will not have a material impact to the Group's accounting policies but will require more disclosure in the financial statements in the period of their initial adoption except for FRS 115 and FRS 109. Management is currently still evaluating the potential impact of the application of FRS 115 and FRS 109 on the financial statements of the Group and of the Company in the period of their initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting

Subsidiaries

(i) Consolidation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting (Continued)

Subsidiaries (Continued)

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Group accounting (Continued)

Subsidiaries (Continued)

(iii) Disposals

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

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

2.4 Currency translation

The financial statements are presented in Singapore dollars ("SGD" or "S$") which is the Company's functional currency.

(a) Functional presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

(b) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Currency translation (Continued)

(b) Transactions and balances (Continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investments in foreign operations, which are recognised initially in other comprehensive income and accumulated under currency translation reserve in equity. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(c) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Leasehold improvement	3 years
Furniture and fittings	5 years
Office equipment	5 years
Computers	3 years
Motor vehicles	10 years

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

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that are previously re-valued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amounts of any previous revaluation.

2.7 Investments in subsidiaries

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets

(a) Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value.

(b) Subsequent measurement and classification

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. They are presented as current assets except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

"Cash and cash equivalents", "trade receivables", "other receivables", "amounts due from subsidiaries" and "debt securities" are classified and accounted for as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) Subsequent measurement and classification (Continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity and in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(c) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the differences between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the financial period generally established by regulation or convention in the marketplace concerned.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Offsetting financial instruments

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

2.10 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired and recognises an allowance for impairment when such evidence exists.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amounts of the loss is measured as the differences between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

(a) Financial assets carried at amortised cost (Continued)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amounts of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date. The amounts of reversal are recognised in profit or loss.

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale financial assets, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of the investments in equity instruments may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investments below its costs. “Significant” is to be evaluated against the original cost of the investments and “prolonged” against the period in which the fair value has been below its original cost.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

(b) Available-for-sale financial assets (Continued)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; any increase in their fair values after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposits with financial institutions which are subject to an insignificant risk of changes in value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increases in the provisions due to the passage of time are recognised as a finance cost.

2.13 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities include “other payables”,”finance lease liabilities” and “convertible redeemable bonds”.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. They are classified as current liabilities if payment is due within one year or less. Otherwise they are presented as non-current liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial liabilities (Continued)

(b) Subsequent measurement and classification

The measurement of financial liabilities depends on their classification as follows:

(i) Other financial liabilities

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the differences in the respective carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Convertible redeemable bonds

The total proceeds from convertible redeemable bonds issue are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained earnings.

2.15 Employee benefits

(a) Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions to CPF are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlement to annual leave is recognised as a liability when they accrue to the employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Leases

The Group leases a motor vehicle and copiers under finance leases and office and warehouse spaces under operating leases.

(a) Lessee – Finance leases

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

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

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

(b) Lessee – Operating leases

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Rendering of services

(i) Revenue earned from services rendered in respect of consultancy services and other similar services are recognised when the services are rendered in accordance with the terms of the contractual agreements.

(ii) Management and service fees are recognised when the services are rendered in accordance with the terms of the management agreements.

(b) Interest income

Interest income is recognised using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred income tax liabilities are recognised for all temporary differences, except:

– Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxes (Continued)

(b) Deferred income tax (Continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxes (Continued)

(b) Deferred income tax (Continued)

Deferred income tax assets and liabilities relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.20 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Impairment of financial assets, available-for-sale

The Group reviews its financial assets classified as available-for-sale at the end of each reporting period to assess whether they are impaired. The Group also records impairment charges on financial assets, available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. For the financial year ended 31 December 2015, an impairment loss of S$717,705 (2014: S$4,519,540) was recognised for available-for-sale financial assets. The allowance for impairment of financial assets, available-for-sale as at 31 December 2015 was S$7,847,926 (2014: S$35,722,840). The carrying amount of financial assets, available-for-sale as at 31 December 2015 is disclosed in Note 15.

(b) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period.

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

(b) Fair value of financial instruments (Continued)

The carrying amount ascribed to the unquoted investments, available-for-sale (held at fair value) as set out in Note 29(a), amounting to S$1 (2014: S$717,705), have been accounted for in accordance with the accounting policy set out in Note 2.8 to the financial statements. The valuations of the unquoted investments involve considerable subjective judgement and are based on conditions prevailing and information available at the end of the reporting period. The valuation of financial instruments is described in more detail in Note 29. The ultimate outcome of these uncertainties cannot presently be determined. The consolidated financial statements do not include adjustments that might result from these uncertainties. In preparing the consolidated financial statements, the Group has included the effects of the economic conditions to the extent that they can currently be determined and estimated. The Group's sensitivity to equity securities price risk is described in Note 30(e) to the financial statements.

(c) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the end of the reporting period are disclosed in Notes 13 and 14 to the financial statements.

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

(d) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationship and long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective entities in the Group. The carrying value of the Group's income tax expense and deferred income tax liabilities at the end of the reporting period are disclosed in Notes 9 and 23 to the financial statements.

4. REVENUE

	Group	
	2015	2014
	S$	S$
Consultancy fees	2,925,116	130,596
Interest income on debt securities	69,493	–
	2,994,609	130,596

5. OTHER LOSSES, NET

	Group	
	2015	2014
	S$	S$
Gain/(loss) on disposal of financial assets, available-for-sale	183,562	(1,020,449)
Impairment loss on financial assets, available-for-sale (Note 15)	(717,705)	(4,519,540)
Reclassification to profit or loss on impairment of financial assets, available-for-sale	–	(686,069)
Cash recovery from investment previously written-off	–	26,168
Foreign exchange loss	–	(18,100)
	(534,143)	(6,217,990)

6. OTHER INCOME

	Group	
	2015	2014
	S$	S$
Interest income on bank deposits and trading account	274	73
Rental income	274,973	232,683
Interest on outstanding rental	14,005	–
Gain on disposal of subsidiary (Note 12)	179,247	–
Productivity and Innovation Credit cash bonus and cash payout	–	48,121
Sundry income	64,219	38,748
	532,718	319,625

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2015	2014
	S$	S$
Wages, salaries, bonuses and other short-term employee benefits	1,023,406	991,181
Employer's contributions to Central Provident Fund	36,972	45,493
	1,060,378	1,036,674

8. DEPRECIATION AND OTHER OPERATING EXPENSES

(a) Depreciation

	Group	
	2015	2014
	S$	S$
Depreciation of property, plant and equipment:		
– Continuing operations	92,632	81,246
– Discontinued operations [Note 10(b)]	560	3,104
Total depreciation (Note 19)	93,192	84,350

8. DEPRECIATION AND OTHER OPERATING EXPENSES (Continued)

(b) Other operating expenses

	Group	
	2015	2014
	S$	S$
Commission expenses	2,389	3,810
Directors' fee	117,000	130,000
Insurance expense	19,279	33,046
Impairment loss on trade and other receivables	96,472	130,596
Professional fees	232,663	208,669
Rental expense (Note 27)	392,469	388,478
Subscription expenses	4,694	7,098
Travel and entertainment expense	4,634	10,224
Listing related expenses	104,245	70,503
Office utilities and expenses	37,436	34,370
Repair and maintenance	14,995	29,928
Others	57,958	94,891
	1,084,234	1,141,613

8. DEPRECIATION AND OTHER OPERATING EXPENSES (Continued)

(b) Other operating expenses (Continued)

Included in professional fees are audit and non-audit fees incurred by the Group as follows:

	Group	
	2015	**2014**
	S$	**S$**
The following items have been included in arriving at profit/(loss) before tax:		
Audit fees:		
– Auditors of the Group**	48,667	75,000
Non-audit fees:		
– Auditors of the Group**	8,167	14,500
– Other auditors	5,000	15,000
Total audit and non-audit fees	61,834	104,500

** Audit fees and non-audit fees include fees charged to a former subsidiary that was classified as discontinued operations

(c) Finance costs

	Group	
	2015	**2014**
	S$	**S$**
Hire purchase interest	5,458	5,110
Convertible redeemable bond interest	26,644	–
	32,102	5,110

9. INCOME TAXES

(a) Income tax (expense)/credit

	Group	
	2015	2014
	S$	S$
Income tax (expense)/credit attributable to profit/(loss) is made up of:		
– Profit/(loss) for the financial year:		
From continuing operations		
– Deferred income tax (Note 23)	(7,374)	4,425
– Over provision in respect of prior years:		
From continuing operations		
– Deferred income tax (Note 23)	3,048	20,554
	(4,326)	24,979
Income tax (expense)/credit attributable to:		
– continuing operations	(4,326)	24,979
– discontinued operations [Note 10(b)]	–	–
	(4,326)	24,979

9. INCOME TAXES (Continued)

(a) Income tax (expense)/credit (Continued)

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

	Group	
	2015	**2014**
	S$	**S$**
Profit/(loss) before tax from:		
– continuing operations	723,838	(8,032,412)
– discontinued operations [Note 10(b)]	(52,655)	(759,564)
Total profit/(loss) before tax	671,183	(8,791,976)
Tax at statutory tax rate of 17% (2014: 17%)	114,101	(1,494,636)
Adjustments:		
Non-deductible expenses	69,985	207,797
Income not subject to taxation	(61,847)	–
Deferred income tax asset not recognised	214,132	1,264,331
Overprovision in respect of prior years	(3,048)	(20,554)
Utilisation of previously unrecognised tax losses	(333,617)	–
Others	4,620	18,083
Income tax expense/(credit) recognised in profit or loss	4,326	(24,979)

9. INCOME TAXES (Continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
At 1 January	–	4,951	–	–
Income tax paid	–	(4,951)	–	–
At 31 December	–	–	–	–

10. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD-FOR-SALE

The disposal of 100% of the equity interests held by the Company in Infiniti Asset Management Pte Ltd ("IAMPL") (now known as Kingsbridge Capital Pte Ltd) to Infiniti Capital Partners Ltd ("ICPL" or the "Purchaser") (now known as Kingsbridge Capital Partners Ltd) for a consideration of S$400,000 was completed on 6 March 2015.

Following the completion of the disposal of IAMPL, the assets and liabilities of IAMPL and its subsidiaries were derecognised in March 2015. The results contributed by IAMPL and its subsidiaries for January and February 2015 are presented separately on the consolidated statement of profit or loss and other comprehensive income as "Loss from discontinued operations, net of tax".

10. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD-FOR-SALE (Continued)

Details of the loss from discontinued operations for the financial year allocated between equity holders of the Company and non-controlling interest are as follows:

Profit/(loss) attributable to:	Equity holders of the company		Non-controlling interest	
	2015	2014	2015	2014
	S$	S$	S$	S$
Profit/(loss) from continuing operations, net of tax	719,512	(8,007,433)	–	–
Loss from discontinued operations, net of tax	(51,993)	(719,704)	(662)	(39,860)
	667,519	(8,727,137)	(662)	(39,860)

(a) Balance sheet disclosures:

	Group	
	2015	2014
	S$	S$
Assets:		
Cash and cash equivalents	–	39,499
Trade receivables	–	262,013
Other receivables	–	157,568
Prepayments	–	7,882
Property, plant and equipment	–	5,705
Assets directly associated with disposal group classified as held-for-sale	–	472,667
Liabilities:		
Trade and other payables	–	(184,094)
Liabilities directly associated with disposal group classified as held-for-sale	–	(184,094)
Net assets directly associated with disposal group classified as held-for-sale	–	288,573

10. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD-FOR-SALE (Continued)

(b) Income Statement disclosures:

	Group	
	2015	2014
	S$	S$
Management fee income	18,459	540,423
Other income	–	29,365
Employee benefits expense	(25,652)	(635,440)
Depreciation [Note 8(a)]	(560)	(3,104)
Professional fees	(16,989)	(119,167)
Rental expense – operating lease	(8,458)	(52,718)
Impairment loss on amounts due from related parties	–	(264,802)
Impairment loss on trade receivables	–	(169,006)
Insurance expense	(3,839)	(23,558)
Travel and entertainment expense	(3,301)	(5,622)
Other operating expenses	(12,315)	(55,935)
Loss before income tax, from discontinued operations [Note 9(a)]	(52,655)	(759,564)
Income tax credit [Note 9(a)]	–	–
Loss from discontinued operations, net of tax	(52,655)	(759,564)

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

	Group	
	2015	2014
	S$	S$
Operating cash flows	141,330	(2,140,937)
Investing cash flows	–	(3,126)
Financing cash flows	(1)	2,000,005
Net cash inflows/(outflows)	141,329	(144,058)

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Basic earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

	Continuing operations		Discontinued operations		Total	
	2015	2014	2015	2014	2015	2014
Net profit/(loss) attributable to owners of the Company (S$)	719,512	(8,007,433)	(51,993)	(719,704)	667,519	(8,727,137)
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share	250,609,689	214,000,100	250,609,689	214,000,100	250,609,689	214,000,100
Basic earnings/(loss) per share for the Group (Singapore cents per share)	0.29	(3.74)	(0.02)	(0.34)	0.27	(4.08)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are the convertible redeemable bonds.

The convertible redeemable bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

11. EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

Diluted earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

	Continuing operations		Discontinued operations		Total	
	2015	2014	2015	2014	2015	2014
Net profit/(loss) attributable to equity holders of the Company	719,512	(8,007,433)	(51,993)	(719,704)	667,519	(8,727,137)
Interest expense on convertible bonds, net of tax	22,115	–	–	–	22,115	–
Net profit/(loss) used to determine diluted earnings per share	741,627	(8,007,433)	(51,993)	(719,704)	689,634	(8,727,137)
Weighted average number of ordinary shares outstanding for basic earnings per share	250,609,689	214,000,100	250,609,689	214,000,100	250,609,689	214,000,100
Adjustments for convertible redeemable bonds	55,479,452	–	55,479,452	–	55,479,452	–
	306,089,141	214,000,100	306,089,141	214,000,100	306,089,141	214,000,100
Diluted earnings/(loss) per share	0.24	(3.74)	(0.02)	(0.34)	0.22	(4.08)

12. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Cash and cash equivalents	20,589	66,476	17,321	47,799
Cash and cash equivalents classified as "Assets held-for-sale" [Note 10(a)]	–	39,499	–	–
Total cash and cash equivalents	20,589	105,975	17,321	47,799

Cash and cash equivalents denominated in foreign currencies as at 31 December were as follows:

	Group	
	2015	2014
	S$	S$
Chinese Renminbi	11	10,226

12. CASH AND CASH EQUIVALENTS (Continued)

Disposal of subsidiary

During the financial year, the Company disposed of its entire interest in Infiniti Asset Management Pte Ltd for a cash consideration of S$400,000. The effects of the disposal on the cash flows of the Group were as follows:

	Group
	2015
	S$
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	180,832
Trade receivables	93,835
Other receivables	157,053
Prepayments	9,091
Property, plant and equipment	5,143
Total assets	445,954
Trade and other payables	(138,022)
Amount due to holding company	(127,701)
Total liabilities	(265,723)
Net assets	180,231
Add: Non-controlling interests	40,522
Net assets disposed of	220,753
Gain on disposal (Note 6)	179,247
Cash consideration	400,000
Less: Cash and cash equivalents in subsidiary disposed of	(180,832)
Net cash inflow on disposal of subsidiary	219,168

13. TRADE RECEIVABLES

	Group	
	2015	2014
	S$	S$
Trade receivables	3,171,252	280,596
Less: Allowance for impairment of trade receivables	(280,596)	(280,596)
Trade receivables – net	2,890,656	–

Trade receivables are recognised at their original invoiced amounts which represent their fair value on initial recognition. The carrying value approximates its fair value.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to S$2,825,116 (2014: NIL) that are past due but not impaired. These receivables are unsecured and the analysis of their aging is as follows:

	Group	
	2015	2014
	S$	S$
Trade receivables past due:		
Past due 1 day to less than 90 days	2,825,116	–

The Group received S$550,000 subsequent to the balance sheet date.

13. TRADE RECEIVABLES (Continued)

Movements in the allowance for impairment of trade receivables are as follows:

	Group	
	2015	2014
	S$	S$
Movement in allowance accounts:		
At 1 January	280,596	150,000
Charge for the year	–	130,596
At 31 December	280,596	280,596

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES

(a) Other receivables

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Amounts due from a third party	96,472	–	96,472	–
Less: Allowance for impairment	96,472	–	96,472	–
	–	–	–	–
Amounts due from related parties (non-trade)*	1,375	–	665	–
Refundable deposits	101,149	100,689	101,020	100,560
Amounts due from a sub-tenant (Note 33)	197,098	42,329	197,098	42,329
Goods and Services Tax receivables	7,299	3,331	7,299	3,331
	306,921	146,349	306,082	146,220

* The amounts due from related parties (non-trade) are unsecured, interest-free and repayable on demand.

14. OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (Continued)

(b) Amounts due from subsidiaries

	Company	
	2015	**2014**
	S$	**S$**
Amounts due from subsidiaries (non-trade)	30,199,099	28,505,751
Less: Allowance for impairment	(27,578,899)	(28,441,380)
	2,620,200	64,371

The amounts due from subsidiaries (non-trade) are unsecured, interest-free and repayable on demand.

The movements in the allowance for impairment of amounts due from subsidiaries are as follows:

	Company	
	2015	**2014**
	S$	**S$**
Movement in allowance accounts:		
At 1 January	28,441,380	23,941,000
Write-back during the financial year	(883,000)	(57,000)
Charge for the year	20,519	4,557,380
At 31 December	27,578,899	28,441,380

The impairment loss on amounts due from subsidiaries was provided due to loss-making subsidiaries.

15. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

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

	Group	
	2015	2014
	S$	S$
Financial assets, available-for-sale:		
– Equity securities (quoted)	68,007	29,246,426
– Equity securities (unquoted)	7,650,000	7,704,531
– Debt securities (unquoted)	129,920	129,920
	7,847,927	37,080,877
Less: Allowance for impairment	(7,847,926)	(35,722,840)
	1	1,358,037
Classified as:		
– Current	1	1,038,583
– Non-current	–	319,454
	1	1,358,037

15. FINANCIAL ASSETS, AVAILABLE-FOR-SALE (Continued)

The movements in the allowance for impairment of financial assets, available-for-sale are as follows:

	Group	
	2015	2014
	S$	S$
Movement in allowance accounts:		
At 1 January	35,722,840	50,172,605
Charge for the year (Note 5)	717,705	4,519,540
Disposal during the year	(28,592,619)	(18,969,305)
	7,847,926	35,722,840

During the financial year, the Group recognised an impairment loss of S$717,705 (2014: S$4,519,540) against quoted and unquoted equity securities as their fair values have declined significantly below cost over a prolonged period of time. The Group defined prolonged period of time as a time period that span across two consecutive quarters.

16. OTHER CURRENT ASSETS

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Prepayments	16,878	17,860	14,792	14,558

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	S$	S$
Equity investments		
At 1 January	7	1,500,007
Increase in investment	–	2,000,000
Reclassified to assets held-for-sale	–	(400,000)
Impairment loss during the financial year	–	(3,100,000)
At 31 December	7	7

Impairment of investments in subsidiaries

During the financial year, the Company disposed of 100% of the equity interests held in Infiniti Asset Management Pte Ltd for a consideration of S$400,000. Accumulated impairment loss of S$3,100,000 was written-off upon the disposal of the former subsidiary.

The movement in allowance for impairment of investments in subsidiaries is as follows:

	Company	
	2015	2014
	S$	S$
Movement in allowance accounts:		
At 1 January	3,449,160	349,160
Charge for the year	–	3,100,000
Write-off due to disposal of subsidiary	(3,100,000)	–
At 31 December	349,160	3,449,160

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2015 %	2014 %
Held by the Company				
Dynamic Return (Singapore) Pte Ltd*	Singapore	Investment holding and provision of consultancy services	100	100
Infiniti Advantage Pte Ltd#	Singapore	Investment holding	100	100
Infiniti Asset Management Pte Ltd (now known as Kingsbridge Capital Pte Ltd)	Singapore	Fund management	–	100
ISR China Limited#	British Virgin Islands	Investment holding	100	100
ISR Global Pte Ltd*	Singapore	Investment holding	100	100
Raintree Strategic Consultancy Limited#	British Virgin Islands	Provision of consultancy services	100	100

17. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2015 %	2014 %
Held through ISR China Limited:				
ISR Shanghai Investment Advisory Co. Ltd##	People's Republic of China	Provision of consultancy services	100	100
Previously held through Infiniti Asset Management Pte Ltd (now known as Kingsbridge Capital Pte Ltd):				
Dynamic Return Limited**	British Virgin Islands	Investment holding	–	100
IPR Fund Ltd**	Cayman Islands	Investment holding (General Partners)	–	50

* Audited by RT LLP, Singapore.

** Disposed during the year as part of the Infiniti Asset Management Pte Ltd (now known as Kingsbridge Capital Pte Ltd) group.

Not required to be audited under the laws of the country of incorporation.

Audited by Shanghai Hongda Dongya Certified Public Accounts Co. Ltd., People's Republic of China.

18. DEBT SECURITIES

	Group	
	2015	2014
	S$	S$
Debt securities (gross)	2,350,000	–
Deferred arrangement fee income	(113,547)	–
	2,236,453	–

A debt facility with a principal amount of S$2,350,000 has been extended to a third party in 2015 for a period of five years. Interest is charged at 12% per annum with a 5% arrangement fee deducted upfront at each disbursement. The effective interest rate is computed at 13.4%.

The debt facility could be drawn down by the third party for up to S$5,000,000 with maturity due 2020. The undrawn balance as at 31 December 2015 was S$2,650,000.

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

19. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements	Furniture and fittings	Office equipment	Computers	Motor vehicles	Total
	S$	S$	S$	S$	S$	S$
Cost						
At 1 January 2014	130,290	16,421	39,184	149,455	250,000	585,350
Additions	32,089	–	31,749	11,876	–	75,714
Write-offs	–	–	(320)	–	–	(320)
Reclassified to disposal group	–	–	–	(14,422)	–	(14,422)
At 31 December 2014 and 31 December 2015	162,379	16,421	70,613	146,909	250,000	646,322
Accumulated depreciation						
At 1 January 2014	–	10,493	36,945	135,245	13,336	196,019
Depreciation charge for the year [Note 8 (a)]	50,289	2,328	1,820	8,576	21,337	84,350
Write-offs	–	–	(320)	–	–	(320)
Reclassified to disposal group	–	–	–	(8,717)	–	(8,717)
At 31 December 2014	50,289	12,821	38,445	135,104	34,673	271,332
Depreciation charge for the year [Note 8 (a)]	56,045	1,878	7,098	6,834	21,337	93,192
Reclassified to disposal group	–	–	–	(560)	–	(560)
At 31 December 2015	106,334	14,699	45,543	141,378	56,010	363,964
Carrying amount						
At 31 December 2015	56,045	1,722	25,070	5,531	193,990	282,358
At 31 December 2014	112,090	3,600	32,168	11,805	215,327	374,990

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Leasehold improvements	Furniture and fittings	Office equipment	Computers	Motor vehicles	Total
	S$	S$	S$	S$	S$	S$
Cost						
At 1 January 2014	130,290	16,421	39,184	138,159	250,000	574,054
Additions	32,088	–	1,750	8,750	–	42,588
Write-offs	–	–	(320)	–	–	(320)
At 31 December 2014 and 31 December 2015	162,378	16,421	40,614	146,909	250,000	616,322
Accumulated depreciation						
At 1 January 2014	–	10,493	36,945	129,632	13,336	190,406
Depreciation charge for the year	50,288	2,328	1,320	5,472	21,337	80,745
Write-offs	–	–	(320)	–	–	(320)
At 31 December 2014 and at 1 January 2015	50,288	12,821	37,945	135,104	34,673	270,831
Depreciation charge for the year	56,045	1,878	1,099	6,274	21,337	86,633
At 31 December 2015	106,333	14,699	39,044	141,378	56,010	357,464
Carrying amount						
At 31 December 2015	56,045	1,722	1,570	5,531	193,990	258,858
At 31 December 2014	112,090	3,600	2,669	11,805	215,327	345,491

Property, plant and equipment of the Group with carrying amount of S$217,489 (2014: S$244,827) were acquired under finance lease arrangements (Note 21). The lease assets are pledged as security for the related finance lease.

20. OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Accrued operating expenses	279,137	314,483	261,473	266,683
Bond interest payable	10,699	–	10,699	–
Other payables	291,292	301,350	259,493	301,350
	581,128	615,833	531,665	568,033

21. FINANCE LEASE LIABILITIES

The Group leases a motor vehicle and photocopiers from third parties under finance leases. The lease agreements provide the Group with an option to purchase the leased assets at a nominal value at the end of the lease terms.

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Minimum lease payments due				
– Not later than one year	46,299	46,299	28,032	28,032
– Later than one year but not later than five years	53,360	100,420	37,377	65,409
	99,659	146,719	65,409	93,441
Less: Future finance charges	(6,831)	(12,290)	(3,832)	(7,623)
Present value of finance lease liabilities	92,828	134,429	61,577	85,818

The present value of the finance lease liabilities is analysed as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
– Not later than one year	42,164	40,916	25,497	24,250
– Later than one year but not later than five years	50,664	93,513	36,080	61,568
	92,828	134,429	61,577	85,818

22. CONVERTIBLE REDEEMABLE BONDS

The proposed issuance of 2% convertible redeemable bonds due 2018 (the "Bonds") with an aggregate principal amount of up to S$35,000,000 comprising seven tranches of bonds was approved by shareholders at an Extraordinary General Meeting held on 8 September 2015. Each tranche comprises five equal sub-tranches of S$1,000,000 each. S$3,000,000 of the Tranche 1 Bonds were issued in September and October 2015. As at 31 December 2015, Bonds with a face value of S$750,000 have been converted into 187,500,000 ordinary shares. The present value of the Bonds after conversion amounted to S$2,053,672, which was arrived at using 5.5% per annum, an average rate compiled from interest rate quotations of 10 leading banks and financial institutions. The Bonds that remained outstanding as at 31 December 2015 were subjected to an interest rate of 2% per annum, payable in arrears on 31 December in 2015. Please refer to Note 20 for bond interest payable as at 31 December 2015.

As at 31 December 2015, the Company allocated approximately S$2,200,000 for investments in debt securities and approximately S$480,000 for general working capital (such as payment of remuneration of directors and employees, office rentals, insurance premiums and professional fees). The above utilisation of the net proceeds were in accordance with the intended use of proceeds disclosed in the Company's announcement dated 18 November 2014 and in the Circular to shareholders dated 24 August 2015.

23. DEFERRED INCOME TAX LIABILITIES

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

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Deferred income tax liabilities				
– To be settled	19,447	15,121	8,305	15,121

23. DEFERRED INCOME TAX LIABILITIES (Continued)

Movements in deferred income tax account are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
At 1 January	15,121	40,100	15,121	40,100
Tax charged/(credited) to profit or loss [Note 9(a)]	7,374	(4,425)	(3,768)	(4,425)
Overprovision in respect of prior years [Note 9(a)]	(3,048)	(20,554)	(3,048)	(20,554)
	19,447	15,121	8,305	15,121

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

Group	Accelerated tax depreciation	Others	Total
	S$	S$	S$
Deferred income tax liabilities			
At 1 January 2014	40,100	–	40,100
Tax credited to:			
– Profit or loss	(4,425)	–	(4,425)
– Overprovision in respect of prior years	(20,554)	–	(20,554)
At 31 December 2014 and 1 January 2015	15,121	–	15,121
Tax (credited)/charged to:			
– Profit or loss	(3,768)	11,142	7,374
– Overprovision in respect of prior years	(3,048)	–	(3,048)
At 31 December 2015	8,305	11,142	19,447

23. DEFERRED INCOME TAX LIABILITIES (Continued)

Company	Accelerated tax depreciation	
	2015	2014
	S$	S$
Deferred income tax liabilities		
At 1 January	15,121	40,100
Tax credited to profit or loss	(3,768)	(4,425)
Overprovision in respect of prior years [Note 9(a)]	(3,048)	(20,554)
At 31 December	8,305	15,121

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S$1,972,000 (2014: S$12,104,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred income tax asset is recognized due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

24. SHARE CAPITAL

	Issued share capital	
	No. of ordinary shares	Amount
		S$
Group and Company		
2015		
Beginning of financial year	214,000,100	21,549,245
Shares issued	187,500,000	678,143
End of financial year	401,500,100	22,227,388
2014		
At beginning and end of financial year	214,000,100	21,549,245

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

During the financial year, the holder of the convertible redeemable bonds due 2018 (the "Bonds") issued by the Company has converted the Bonds with a face value totaling S$750,000 into 187,500,000 ordinary shares of the Company. The newly issued shares ranked *pari passu* in all respects with the previously issued shares.

25. CAPITAL RESERVE

Capital reserve represent the equity component of the convertible redeemable bonds due 2018 issued by the Company during the financial year where the Bonds carry an equity element as the Bond subscriber has an option to convert the Bonds into ordinary shares of the Company.

26. OTHER RESERVES

(a) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

(b) Currency translation reserve

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

27. COMMITMENTS

Operating lease commitments – lessee

At the end of the reporting period, the Group leases office from non-related parties under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future minimum lease payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Not later than one year	391,327	391,327	391,327	391,327
Later than one year but not later than five years	–	391,327	–	391,327
	391,327	782,654	391,327	782,654

Payments recognised as an expense during the financial year amounted to S$392,469 (2014: S$388,478) [(Note 8 (b)].

Commitment arising from a debt facility agreement

During the financial year, the Group has entered into a debt facility agreement with a third party for a period of five years. Interest is charged at 12% per annum with a 5% arrangement fee deducted upfront at each disbursement. The debt facility could be drawn down by the third party up to S$5,000,000 with maturity due 2020. The undrawn balance as at 31 December 2015 was S$2,650,000 (Note 18).

28. RELATED PARTY TRANSACTIONS

Key management's remuneration

	Group	
	2015	2014
	S$	S$
Key management's remuneration is as follows:		
Salaries, fees, bonuses and other short-term employee benefits	994,610	1,311,893
Employer's contributions to Central Provident Fund	29,500	41,226
	1,024,110	1,353,119
Comprise amounts paid to:		
Directors of the Company	534,650	414,004
Other key management personnel	489,460	939,115
	1,024,110	1,353,119

Key management's remuneration includes remuneration of key management of subsidiaries that are classified as discontinued operations.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	S$	S$	S$	S$
2015				
Financial assets				
Available-for-sale financial assets:				
– Debt securities (unquoted)	–	–	1	1
2014				
Financial assets				
Available-for-sale financial assets:				
– Equity securities (quoted)	640,332	–	–	640,332
– Equity securities (unquoted)	–	–	717,704	717,704
– Debt securities (unquoted)	–	–	1	1
	640,332	–	717,705	1,358,037

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of financial instruments that are carried at fair value (Continued)

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices unadjusted in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Determination of fair value

Fair value of quoted equity securities are determined directly by reference to their published market bid price at the end of the reporting period.

The fair values of the financial assets are determined as follows:

Financial assets, available-for-sale:

– Unquoted equity securities amounted to NIL (2014: S$717,704) as at 31 December 2015.

– Unquoted debt securities amounted to S$1 (2014: S$1).

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Fair value of financial instruments that are carried at fair value (Continued)

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3):

Group	Equity securities (unquoted)	Debt securities (unquoted)	Total
	S$	S$	S$
2015			
At 1 January 2015	717,704	1	717,705
Impairment loss in profit or loss	(717,704)	–	(717,704)
At 31 December 2015	–	1	1
Total losses for the year included in profit or loss for assets held at 31 December 2015	(717,704)	–	(717,704)
2014			
At 1 January 2014	2,103,631	1	2,103,632
Purchases	300,000	–	300,000
Foreign exchange loss in profit or loss	(18,100)	–	(18,100)
Impairment loss in profit or loss	(1,667,827)	–	(1,667,827)
At 31 December 2014	717,704	1	717,705
Total losses for the year included in profit or loss for assets held at 31 December 2014	(1,685,927)	–	(1,685,927)

There has been no transfer from Levels 1 and 2 to Level 3 during the financial years ended 31 December 2015 and 2014.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount is a reasonable approximation of fair value

Such financial instruments include cash and cash equivalents, trade receivables, other receivables, amounts due from subsidiaries, other payables and finance lease liabilities.

The carrying amounts of these financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

(c) Financial instruments by category

Set out below is a comparison by category of the carrying amounts of the Group's financial instruments that are carried in the financial statements:

	The Group		The Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Financial assets				
Loans and receivables:				
– cash and cash equivalents	20,589	66,476	17,321	47,799
– trade receivables	2,890,656	–	–	–
– other receivables	299,622	143,018	298,783	142,889
– amounts due from subsidiaries	–	–	2,620,200	64,371
– debt securities	2,236,453	–	–	–
Available-for-sale financial asset:				
– financial assets, available-for-sales	1	1,358,037	–	–
Total financial assets	5,447,321	1,567,531	2,936,304	255,059
Total non-financial assets	306,535	868,848	280,956	763,387
Total assets	5,753,856	2,436,379	3,217,260	1,018,446

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(c) Financial instruments by category (Continued)

	The Group		The Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Financial liabilities				
Amortised cost:				
– other payables	581,128	615,833	531,665	568,033
– finance lease liabilities	92,828	134,429	61,577	85,818
– convertible redeemable bonds	2,053,672	–	2,053,672	–
Total financial liabilities	2,727,628	750,262	2,646,914	653,851
Total non-financial liabilities	19,447	199,215	8,305	15,121
Total liabilities	2,747,075	949,477	2,655,219	668,972

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and price risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk for the financial years ended 31 December 2015 and 31 December 2014.

Risk management is carried out in accordance with approved policies. In relation to investment risk, mandates that are above or beyond the management's limits of authority would be deliberated, resolved and approved by the Audit Committee and/or the Board.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group adopts the policy of dealing only with customers and counterparties who have good credit standing to mitigate credit risk, and/or those who have provided sufficient security.

For consultancy services and private equity activities, service fees are collected in accordance with the stipulated payment terms.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) *Credit risk* (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by business units on an on-going basis. The credit risk concentration profile of the Group's trade receivables that are past due but not impaired at the end of the reporting period is as follows:

	Group			
	2015	2015	2014	2014
	S$	% of total	S$	% of total
By business units				
Management consultancy	2,825,116	100.0	–	–

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits placed with banks that management considers as reputable banks.

Other receivables that are neither past due nor impaired are substantially debtors with good collection track record with the Group and the Company.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired are disclosed in Notes 13 and 14 respectively.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulties in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the financial liabilities of the Group and the Company based on contractual undiscounted cash flows:

	Less than 1 year	More than 1 year
	S$	S$
Group		
2015		
Other payables	547,128	–
Convertible redeemable bonds	–	2,053,672
Finance lease liabilities	46,299	53,360
2014		
Other payables	573,833	–
Finance lease liabilities	46,299	100,420
Company		
2015		
Other payables	494,966	–
Convertible redeemable bonds	–	2,053,672
Finance lease liabilities	28,032	37,377
2014		
Other payables	541,033	–
Finance lease liabilities	28,032	65,410

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Foreign currency risk

The Group operates primarily in Singapore. The Group does not generally take on significant exposures to foreign currency risk arising from its operations. The Group does not consider its currency exposure to the net assets of the Group's foreign operations as material.

The Group had no material foreign currency exposure as at 31 December 2015 and 2014.

The Group's exposure to foreign currency translation risk on its net investments in foreign subsidiaries is not significant when consolidated.

(d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company do not take on significant variable-rate interest-bearing financial assets and financial liabilities. The Group and the Company have no exposure to interest rate risks as the debt securities and convertible redeemable bonds are issued at fixed rates. The Group and the Company have no time/fixed deposits placed with financial institutions. Therefore, the Group's and the Company's income and equity are not likely to be materially affected by changes in market interest rates had these occurred at the end of the reporting period and had these been applied to the risk exposures as at those at the end of the reporting period.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Price risk

The Group is not exposed to equity securities price risk arising from the investments held by the Group which are classified on the balance sheets as available-for-sale. These investments consist of quoted equity securities and both unquoted equity and debt securities. The Group is not exposed to commodity price risk.

If prices for quoted equity securities or fair value of unquoted equity securities change by 20% (2014: +/- 20%), respectively with all other variables including tax rate being held constant, the profit/(loss) after taxation and other comprehensive income will be:

	2015		2014	
Group	Profit after Taxation	Other Comprehensive Income	Loss after taxation	Other Comprehensive Income
	S$	S$	S$	S$
Financial assets, available-for-sale:				
Equity securities (quoted):				
– Change by	–	–	–	+/- 106,295
Equity securities (unquoted):				
– Change by	–	–	–	+/- 119,139

31. CAPITAL MANAGEMENT

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

Management also monitors the capital funds, financial resources and total risk exposure of regulated subsidiaries in the Group to ensure compliance with the relevant laws and regulatory requirements prescribed by the Monetary Authority of Singapore ("MAS").

The Group has complied with the externally imposed capital requirements during the financial years ended 31 December 2015 and 2014. The Group's overall strategy remains unchanged for the financial years ended 31 December 2015 and 2014.

The Group deems its capital as follows:

	Group	
	2015	2014
	S$	S$
Equity attributable to the owners of the Company	3,006,781	1,526,762
Add/(less): – Currency translation reserve	(406)	(180)
Total capital	3,006,375	1,526,582

32. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions, allocate resources, and assess performance.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas namely, Singapore, British Virgin Islands and Indonesia. From a business segment perspective, management separately considers the consultancy and investment management activities in these geographic areas.

For management purposes, the Group is currently organised into the following main business segments:

(a) Consultancy

The Group renders consultancy services which include investment advisory and consultancy services in both the resource and non-resource space. This includes consultancy services rendered in maximising the probability of success for companies seeking IPO/placement deals before the actual launch of the IPO/placement efforts.

(b) Investment management

The Group seeks significant capital appreciation through making direct and indirect investments in companies and projects, both listed and unlisted, which the Group considers to be undervalued and with high growth prospects. Such investments may include investments in quoted and non-quoted equity or debt securities, pre-initial public offer ("IPO") shares which include late stage pre-IPO deals and early stage pre-IPO deals, IPO placement tranche shares, and other corporate finance deals, including without limitation, buyout deals and corporate restructuring deals.

32. SEGMENT INFORMATION (Continued)

(b) Investment management (Continued)

The following business segment has been discontinued since financial year ended 31 December 2014 as the Group is no longer involved in such business activities:

Fund management

The Group was previously involved in the fund management business through one of its former subsidiaries, Infiniti Asset Management Pte Ltd (now known as Kingsbridge Capital Pte Ltd), a Singapore based fund management company registered with the Monetary Authority of Singapore, managing niche and innovative investment funds and customised investment solutions for selected valued clients.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, may be measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, trade and other receivables, debt securities, financial assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, finance lease liabilities, income tax liabilities and deferred income tax liabilities.

32. SEGMENT INFORMATION (Continued)

2015	Consultancy	Investment Management	Fund Management (discontinued)	Adjustments and eliminations	Note	Group
	S$	S$	S$	S$		S$
Revenue						
– External revenue	2,925,116	69,493	18,459	(18,459)	A	2,994,609
Results						
Interest income	–	69,753	–	–		69,753
Unallocated interest income	–	–	–	–		14,019
Depreciation	–	(6,000)	(560)	560	A	(6,000)
Unallocated depreciation	–	–	–	–		(86,632)
Unallocated impairment loss on trade and other receivables	–	–	–	–		(96,472)
Impairment loss on financial assets, available-for-sale	(165,200)	(552,505)	–	–		(717,705)
Income tax expense	–	(11,142)	–	–		(11,142)
Unallocated income tax credit	–	–	–	–		6,816
Segment results	2,758,996	(737,704)	(52,655)	(1,249,125)	B	719,512
Assets						
Segment assets	2,825,117	2,331,497	504,264	92,978	B	5,753,856
Segment liabilities	747,372	31,002,855	324,029	(29,327,181)	B	2,747,075

32. SEGMENT INFORMATION (Continued)

2014	Consultancy	Investment Management	Fund Management (discontinued)	Adjustments and eliminations	Note	Group
	S$	S$	S$	S$		S$
Revenue						
– External revenue	130,596	–	540,423	(540,423)	A	130,596
Results						
Unallocated interest income	–	–	–	–		73
Depreciation	–	(500)	(3,104)	3,104	A	(500)
Unallocated depreciation	–	–	–	–		(80,746)
Impairment loss on trade receivables and amount due from related parties	(130,596)	–	(433,808)	433,808	A	(130,596)
Impairment loss on financial assets, available-for-sale	(428,400)	(4,091,140)	–	–		(4,519,540)
Reclassification to profit or loss on impairment of financial assets, available-for-sale	–	(686,069)	–	–		(686,069)
Unallocated income tax credit	–	–	–	–		24,979
Segment results	(53,119)	(4,032,683)	(759,564)	(3,162,067)	B	(8,007,433)
Assets						
Segment assets	165,837	1,233,142	472,667	564,733	B	2,436,379
Segment liabilities	747,089	29,266,796	184,094	(29,248,502)	B	949,477

Note

A The amounts relating to the fund management segment has been excluded to arrive at amounts shown in profit or loss as they are presented separately in the consolidated statement of profit or loss and comprehensive income within one line item, “loss from discontinued operations, net of tax”.

32. SEGMENT INFORMATION (Continued)

B The following items are added to/(deducted from) segment results to arrive at "profit/(loss) from continuing operations, net of tax" presented in the consolidated statement of profit or loss and comprehensive income:

	Group	
	2015	**2014**
	S$	**S$**
Segment results of discontinued operations	52,655	759,564
Unallocated corporate expenses	(1,301,780)	(3,921,631)
	(1,249,125)	(3,162,067)

The following items are added to/(deducted from) segment assets to arrive at total assets reported in the balance sheets:

	Group	
	2015	**2014**
	S$	**S$**
Unallocated corporate assets	597,242	564,733
Inter-segment assets	(504,264)	–
	92,978	564,733

The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the balance sheets:

	Group	
	2015	**2014**
	S$	**S$**
Unallocated corporate liabilities	2,657,819	674,213
Inter-segment liabilities	(31,985,000)	(29,922,715)
	(29,327,181)	(29,248,502)

32. SEGMENT INFORMATION (Continued)

Geographical market of clients

The following details show the distribution of the Group's revenues from continuing operations based on the geographical segments in which the clients are located:

	Group	
	2015	2014
	S$	S$
Singapore	846,216	–
Australia	–	130,596
British Virgin Islands	2,028,900	–
Indonesia	119,493	–
	2,994,609	130,596

With the exception of Singapore and British Virgin Islands (2014: Australia), no other geographical segments contributed more than 10% of the Group's consolidated revenue. Revenue is based on the geographical segment in which the clients are located.

33. EVENTS OCCURRING AFTER BALANCE SHEET DATE

(a) Writ of summons

Kingsbridge Capital Pte Ltd (formerly known as Infiniti Asset Management Pte Ltd) (the "Defendant"), a former subsidiary of the Company, had on 31 December 2015 filed a Deference and Counterclaim in response to a writ of summons initiated by the Company (the "Plaintiff") with the State Courts of the Republic of Singapore on 8 December 2015 against the Defendant for rent and service fees outstanding for the period from March 2015 to November 2015 amounting to a total sum of S$86,525 as at 30 November 2015.

The Defendant has filed the Defence and Counterclaim claiming damages for alleged breaches of the Plaintiff's obligations under the service agreement signed between the Plaintiff and the Defendant dated 6 March 2015.

The Company is in consultation with its legal advisor and has taken such steps as necessary to reply the Defence and defend the Counterclaim.

The Board considers the Defence and Counterclaim to be without merit and is not expected to have any material impact on the operations of the Company. The Company will update the shareholders of any material development on this matter as and when appropriate.

(b) Settlement of outstanding rental due from a sub-tenant

On 15 January 2016, the Company entered into a settlement agreement with MMP Resources Limited ("MMPRL"), a Singapore public listed company, pursuant to which MMPRL agreed to issue 26,509,030 new ordinary shares in the capital of MMPRL (the "New Shares") as settlement of rent outstanding and other charges of approximately S$197,000 [Note 14(a)] as at 31 December 2015 as well as advance payment of rent for the period from 1 January 2016 to 31 March 2016. The New Shares were issued and allotted to the Company on 25 January 2016.

(c) Conversion of convertible redeemable bonds

Subsequent to the balance sheet date, the holder of the convertible redeemable bonds due 2018 (the "Bonds") issued by the Company converted Bonds with a face value totaling S$550,000 into 137,500,000 ordinary shares in the capital of the Company. The newly issued shares ranked *pari passu* in all respects with the previously issued shares.

33. EVENTS OCCURRING AFTER BALANCE SHEET DATE (Continued)

(d) Awards granted under the ISR Performance Share Plan

The Company granted Awards totaling 42,161,000 new ordinary shares in the capital of the Company to directors and eligible employees on 22 March 2016.

34. EVENTS OCCURRING SINCE THE FINANCIAL YEAR ENDED 2014

Investigation by Commercial Affairs Department

On 2 April 2014, the Company with five other wholly-owned subsidiaries of the Company (one of which has since been disposed of) and two funds (including two subsidiaries of one of the funds) that are managed by the subsidiary of the Company that has since been disposed of, were served notices by the Commercial Affairs Department of the Singapore Police Force ("CAD") for an investigation into an alleged offence under the Securities and Futures Act, Cap 289 which required the Company and those entities to provide CAD with access to certain data. Since then, the Company has been cooperating fully with CAD in its investigation. The CAD confirmed to the auditors that their investigation is still ongoing but has not provided the Company with any further details or updates of its investigation, apart from certain key personnel being requested to attend further interviews by CAD in 2015.

35. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Group for the financial year ended 31 December 2015 were authorised for the issue in accordance with a resolution of directors on 8 April 2016.

SHAREHOLDERS' STATISTICS AND DISTRIBUTION

AS AT 6 APRIL 2016

Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of issued shares	:	581,161,100 shares
No. of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS AS AT 6 APRIL 2016

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

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	61	6.30	57,055	0.01
1,001 – 10,000	339	35.02	2,418,500	0.42
10,001 – 1,000,000	522	53.93	41,601,200	7.16
1,000,001 AND ABOVE	46	4.75	537,084,345	92.41
	968	100.00	581,161,100	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 6 APRIL 2016

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

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	RHB SECURITIES SINGAPORE PTE LTD	66,058,200	11.37
2	OCBC SECURITIES PRIVATE LTD	65,389,138	11.25
3	CITIBANK NOMINEES SINGAPORE PTE LTD	58,642,930	10.09
4	MD WIRA DANI BIN ABDUL DAIM	39,926,000	6.87
5	MAYBANK KIM ENG SECURITIES PTE LTD	32,352,000	5.57
6	PHILLIP SECURITIES PTE LTD	22,784,900	3.92
7	UOB KAY HIAN PTE LTD	20,778,000	3.58
8	YAP GEAK KIM	20,000,000	3.44
9	MOI HSIEN HUR	19,052,700	3.28
10	EUGENE WONG SAI KONG	16,118,300	2.77
11	ESTHER WONG MUN CHING	14,173,000	2.44
12	BOBBY GUMANTI	13,571,900	2.34
13	HO YEE LENG	12,620,000	2.17
14	CIMB SECURITIES (SINGAPORE) PTE LTD	10,915,000	1.88
15	SOH HAN CHUEN	10,119,700	1.74
16	CHAN SING EN	9,560,000	1.64
17	RAFFLES NOMINEES (PTE) LTD	9,118,600	1.57
18	LIM SWEE YEAN	9,000,000	1.55
19	LIM & TAN SECURITIES PTE LTD	8,938,000	1.54
20	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	8,400,000	1.45
		467,518,368	80.46

SHAREHOLDERS' STATISTICS AND DISTRIBUTION
AS AT 6 APRIL 2016

Based on Shareholders' Statistics and Distribution as at 6 April 2016, approximately 78.92% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

DIRECT AND INDIRECT INTEREST OF SUBSTANTIAL SHAREHOLDERS AS AT 6 APRIL 2016

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

	Direct Interest		Indirect interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Vibrant Coast Management Ltd	58,442,930	10.06	–	–
Datuk Md Wira Dani Bin Abdul Daim	39,926,000	6.87	–	–
Attilan Investment Ltd[1]	–	–	58,442,930	10.06
Attilan Group Limited[2]	–	–	58,442,930	10.06
Asiasons Investment Managers Inc[3]	–	–	58,442,930	10.06
Datuk Jared Lim Chih Li[4]	–	–	58,442,930	10.06
Ng Teck Wah[4]	–	–	58,442,930	10.06
First Continental Investment Ltd ("First Continental")[5]	–	–	58,442,930	10.06
Lim Kok Seng[6]	–	–	58,442,930	10.06

Note:

1. Deemed interest arises by virtue of shares held by its wholly owned subsidiary, Vibrant Coast Management Ltd.
2. Deemed interest arises by virtue of its interest in its wholly owned subsidiary, Attilan Investment Ltd.
3. Deemed interest arises by virtue of its interest in Attilan Group Limited.
4. Deemed interest arises by virtue of his interest in Asiasons Investment Managers Inc.
5. Deemed interest arises pursuant to the sale and purchase agreement entered into with Attilan Group Limited, for the acquisition of 58,442,930 shares in the Company.
6. Deemed interest arises by virtue of his interest in First Continental.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 on Friday, 29 April 2016 at 11:00 a.m., to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Directors' Statements and Independent Auditors' Report thereon. *Resolution 1*

2. To approve the payment of Directors' fees of up to S$120,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears. *Resolution 2*

3. To re-elect Mr Kwok Wei Woon, the director retiring by rotation pursuant to Article 89 of the Company's Constitution. *Resolution 3*
   [See Explanatory Note (i)]

4. To re-elect Dato' Seri Krishna Kumar Sivasubramaniam, the director retiring by rotation pursuant to Article 89 of the Company's Constitution. *[See Explanatory Note (ii)]* *Resolution 4*

5. To re-elect Mr Levin Lee Keng Weng, the director retiring by rotation pursuant to Article 88 of the Company's Constitution. *Resolution 5*
   [See Explanatory Note (iii)]

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

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESSES:

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

7. Authority to allot and issue shares *Resolution 7*

"That, pursuant to Section 161 of the Companies Act, Chapter 50, and the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given for the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

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

(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;

and (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuant to any Instrument made or granted by the Directors while the authority was in force, provided always that:

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed fifty per centum (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 twenty per centum (20%) of the total number of issued shares excluding treasury shares, 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;

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

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed, and

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

(b) 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 earlier."
[See Explanatory Note (iv)]

8. Authority to allot and issue shares under the ISR Performance Share Plan *Resolution 8*

"That authority be and is hereby given to the Directors of the Company to offer and grant awards in accordance with the provisions of the ISR Performance Share Plan and to allot and issue from time to time such number of fully-paid new Shares as may be required to be allotted and issued pursuant to the vesting of awards under the ISR Performance Share Plan provided always that the aggregate number of Shares which may be issued or transferred pursuant to awards granted under the ISR Performance Share Plan, when added to (i) the number of Shares issued and issuable and/or transferred and transferable in respect of all awards granted thereunder; and (ii) all Shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed 15% of the total issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of award, and provided also that subject to such adjustments as may be made to the ISR Performance Share Plan as a result of any variation in the capital structure of the Company."
[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD

Vincent Lee Chung Ngee
Teo Meng Keong
Tan Wee Sin
Company Secretaries

14 April 2016
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:–

(i) Mr Kwok Wei Woon will, upon re-election as Director of the Company, remain as the Chairman of Audit Committee and a member of Remuneration Committee and Nominating Committee. Mr Kwok Wei Woon is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Kwok Wei Woon can be found on page 4 to 5 of the Annual Report 2015. There are no relationships (including immediate family relationship) between Mr Kwok Wei Woon and the other Directors of the Company or its shareholders.

(ii) Dato' Seri Krishna Kumar Sivasubramaniam will, upon re-election as Director of the Company, remain as the Chairman of Nominating Committee and a member of Audit Committee and Remuneration Committee. Dato' Seri Krishna Kumar Sivasubramaniam is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Dato' Seri Krishna Kumar Sivasubramaniam can be found on page 5 of the Annual Report 2015. There are no relationships (including immediate family relationship) between Dato' Seri Krishna Kumar Sivasubramaniam and the other Directors of the Company or its shareholders.

(iii) Mr Levin Lee Keng Weng will, upon re-election as Director of the Company, remain as the Chairman of Remuneration Committee and a member of Audit Committee. Mr Levin Lee Keng Weng is considered to be independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Key information on Mr Levin Lee Keng Weng can be found on page 5 of the Annual Report 2015. There are no relationships (including immediate family relationship) between Mr Levin Lee Keng Weng and the other Directors of the Company or its shareholders.

(iv) Ordinary Resolution 7 is to empower the Directors, from the date of the passing of Ordinary Resolution 7 to the date of the next Annual General Meeting, to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued Shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued Shares (excluding treasury shares) for issues other than on a *pro rata* basis to shareholders.

(v) The Ordinary Resolution 8, if passed, will empower the Directors of the Company to offer and grant awards under the ISR Performance Share Plan and to allot and issue Shares pursuant to the vesting of such awards in accordance with the ISR Performance Share Plan.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shares (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

* **Relevant Intermediary** is:

(a) a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services license to provide custodial services for securities under the Securities Futures Act (Cap.89) and who holds shares in that capacity; or

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

4. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.

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

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

7. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070, not less than forty-eight (48) hours before the time appointed for holding the Annual General 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 AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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ISR CAPITAL LIMITED

(Company No. : 200104762G)

(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy ISR Capital Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote. (Please see Note 4 for the definition of "Relevant Intermediary")
3. 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2016.

*I/We _____

of _____

being *a member/members of ISR Capital Limited. (the "Company"), hereby appoint

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

*and/or

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

or failing him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, at the Annual General Meeting of the Company to be held at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070 on Friday, 29 April 2016 at 11:00 a.m. 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 hereunder. If no specific 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.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Directors' Statements and Independent Auditor's Report thereon.		
2.	Approval of payment of Directors' fees of up to S$120,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears.		
3.	Re-election of Mr Kwok Wei Woon as Director.		
4.	Re-election of Dato' Seri Krishna Kumar Sivasubramaniam as Director.		
5.	Re-election of Mr Levin Lee Keng Weng as Director.		
6.	Re-appointment of Messrs RT LLP as Auditors.		
7.	Authority to allot and issue shares.		
8.	Authority to allot and issue shares under the ISR Performance Share Plan.		

* *Delete accordingly*

\# *If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.*

IMPORTANT. Please read notes overleaf.

Dated this _____ day of _____ 2016

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature(s) of Member(s)/Common Seal

Notes:

1. *Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.*
2. *A member of the Company shall not be entitled to appoint more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.*
3. *Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shares (expressed as a percentage of the whole) to be represented by each proxy.*
4. *A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).*

   **** Relevant Intermediary** is:*

   (a) a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or

   (b) a person holding a capital markets services license to provide a custodial services for securities under the Securities Futures Act (Cap.89) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund (Cap.36), in respect of shares purchased on behalf of CPF investors.
5. *A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.*
6. *The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.*
7. *Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.*
8. *The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Martin Road, #10-01 Seng Kee Building, Singapore 239070, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.*
9. *An investor who buys shares using CPF monies (''CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.*

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

AFFIX

STAMP

The Company Secretary

ISR CAPITAL LIMITED

20 Martin Road

#10-01 Seng Kee Building

Singapore 239070