JASON HOLDINGS LIMITED

ANNUAL REPORT 2015 AND 2016

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

CORPORATE PROFILE

Jason Holdings Limited ("**Jason Holdings**" or the "**Company**") was listed on Catalist of the SGX-ST on 25 September 2012.

Jason Holdings together with its subsidiaries, 100%-owned Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") and 60%-owned White Cubic Pte Ltd ("**White Cubic**") (collectively, the "**Group**") were primarily engaged in the business of renovation contractors, manufacturing of plywood, parquet, wooden building materials and timber related materials, wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works.

On 10 June 2016, a winding up application by a substantial shareholder of the Company against the principal operating subsidiary of the Group, JPS, was heard before the High Court and an order for JPS be wound up was made ("**Winding Up Order**"). Following the Winding Up Order, JPS was put under liquidation. As at the date of this Annual Report, the liquidation of JPS is still in progress.

On 1 December 2016, the Company filed a Scheme of Arrangement ("**SOA**") application to seek to effect a restructuring of its debts and liabilities. In connection with the SOA, the Company had completed the placement of 2,000,000,000 new ordinary shares ("**Placement Shares**") to Mr Lim Chwee Kim, Non-Executive Chairman and controlling shareholder of the Company for an aggregate subscription amount of $1,000,000 on 14 June 2017. In addition, the Company had on 21 July 2017 completed the issuance, listing and quotation of 513,253,595 scheme shares ("**Scheme Shares**") pursuant to the SOA. Following the issuance of the Placement Shares and the Scheme Shares, the issued share capital of the Company increased from 216,000,000 shares to 2,729,253,595 shares. Further, pursuant to the terms of the SOA, the Company has issued payment of the cash consideration to the participating creditors for an aggregate amount of $750,000 to compromise in full all actual and contingent claims against the Company. The payment to all the participating creditors has been made in accordance to the SOA on 17 October 2017 and was accordingly a good discharge to the Company. The issuance of the Scheme Shares and payment of the cash consideration to the participating creditors constituted a full and final settlement of all liabilities on or before 30 December 2016 owed by the Company to its existing creditors. Accordingly, the SOA has been completed on 17 October 2017.

As at the date of this Annual Report, following the liquidation of JPS, the Company has only a 60%-owned operating subsidiary, White Cubic. The Company is in the process of considering and evaluating various new businesses for acquisition, and will make the appropriate announcement as and when there is any material update or development.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors of the Company (the "**Board**" or "**Directors**"), I would like to express my sincere gratitude to all shareholders for your patience and support in what has happened in the recent turbulent years for the Group.

I joined the Board as a Non-Executive Chairman on 10 December 2015. Due to potential material misstatement of the Group's unaudited half year financial statements for the six-month period ended 30 June 2015 ("**HY2015 Results Announcement**") highlighted in an internal audit report received by the Audit Committee on 6 January 2016, the Company has requested for the suspension of trading in its shares on 13 January 2016 and commissioned its external auditors, BDO LLP, to quantify the amount of misstatement in the HY2015 Results Announcement. The process took longer than envisaged mainly due to the resignation of certain key financial personnel and the liquidation of the Group's principal operating subsidiary, JPS. The challenge is for the Board to endeavour to come to grips with the Group's financial without any support from its management team, amidst the challenges including negotiations with its lenders and creditors as well as the implementation of fundraising and debt restructuring exercises.

On the debt restructuring front, the Company had lodged a copy of the Order of Court with the Accounting and Corporate Regulatory Authority (ACRA) in relation to a creditors' SOA between the Company and its creditors which took effect on and from 22 March 2017. As shareholders would have known, the Group then faced very difficult financing conditions to raise the required funds for the SOA. We explored multiple options and deliberated them carefully so that as the Board, we can make the most appropriate decisions to protect all shareholders' interests. The cash repayment was subsequently financed through a placement exercise in which I subscribed 2,000,000,000 new ordinary shares for a consideration of $1,000,000. In July 2017, cash payments of an aggregate amount of $750,000 was made to, and 513,253,595 new shares were issued to, the participating creditors pursuant to the SOA. On 17 October 2017, the SOA was completed and this constitutes a full satisfaction and complete extinguishment and discharge in full all actual and contingent claims on or before 30 December 2016 against the Company.

This Annual Report serves as a report on and review of the financial years ended 31 December 2015 and 2016. Shareholders should note that the audited financial statements for the financial years ended 31 December 2015 and 2016 do not include all adjustments that may have to be made arising from events occurring subsequent to 31 December 2016 as publicly disclosed by the Company from time to time, including *inter alia*, financial impact arising from the liquidation of JPS in 2016 and the SOA completed in October 2017. The Board is also of the opinion that it is not possible to consolidate the financial statements of JPS from 1 January 2016 till 10 June 2016 after taking into consideration (i) all management staff and personnel have left the employment of the Company in 2016, (ii) the Company does not have complete financial records of JPS due to limited access to financial information as all the financial information documents are handed over to liquidator of JPS and some financial information documents are impounded by Commercial Affairs Department of Singapore Police Force, and (iii) the Company has insufficient resources to complete the bookkeeping of JPS.

Rather than dwelling on the past, the Board is going back to basics and rebuilding the Group step by step. The Board now focuses its energy on the onward journey to resume the trading of the Company's shares. In this regard, the Sponsor, on behalf of the Company, has on 26 April 2018 made an application to the SGX-ST for an extension of time of up to 31 December 2018 to submit the proposal to resume the trading in the Company's shares ("**Resumption Proposal**"). The Company will make further announcement to update shareholders on the outcome of the said application.

In light of the above, the Company is actively looking for and negotiating with various potential parties with a view of injection of new business into the Company and come out with the Resumption Proposal for submission to the SGX-ST.

CHAIRMAN'S STATEMENT

Amidst these challenges, one silver lining has been the support and assistance we have received from our various stakeholders. On behalf of the Board, I would like to express my heartfelt appreciation to our loyal shareholders, Sponsor, advisors and service-providers for your continued support to the Company through the years. I would also like to record my gratitude to my fellow Directors for standing with the Company through what has been a very challenging couple of years. I look forward to your continued support as we work together to turn the Group around.

Lim Chwee Kim
Non-Executive Chairman
11 May 2018

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2015

Comprehensive Income

The Group's revenue was largely derived from the supply and installation of timber flooring to its Projects customers (comprising main contractors and retail customers), and the sale of timber products and flooring accessories to its Distribution customers. The Group recorded a decrease in revenue of $16.7 million or 42% due to a decrease in (i) Project business segment by 43% or $11.8 million and (ii) Distribution business segment by 40% or $4.9 million in FY2015 compared to FY2014. The decrease in revenue is inclusive of $3.0 million discounts given to Projects customers.

Projects from main contractors accounted for 61% or $14.2 million of the Group's revenue in FY2015, as compared to 61% or $24.3 million in FY2014. The decrease arose as the construction industry in Singapore continued to face challenging conditions due to the property cooling measures implemented by the government. Revenue from retail projects accounted for 7% or $1.6 million of the Group's revenue in FY2015, as compared to 9% or $3.5 million in FY2014. This was mainly due to less upgrading of units by household owners, resulting in a fall of 54% or $1.9 million in the revenue from retail projects in FY2015 as compared to FY2014. The Distribution business segment accounted for 32% or $7.4 million of the Group's revenue in FY2015, as compared to 31% or $12.3 million in FY2014. The decrease in the revenue from the Distribution business segment arose as the Group faced a decline in the construction industry in the countries in which it operated.

Gross margin loss of 4% or $1.0 million in FY2015 was mainly due to a decline of Project business segment profit margin from a gross profit margin of 19% in FY2014 to a gross loss margin of 14% in FY2015. This was attributed to a $2.7 million write-off of inventories and $3.0 million discounts given to customers. An increase in labour and subcontractor cost per revenue dollar from the Projects business segment from 21% in FY2014 to 31% in FY2015 also contributed to the drop in gross margin. For the Distribution business segment, gross profit margin remained stagnant at 14% to 15% for FY2014 and FY2015.

Other income increased by 37% or $0.1 million, from $0.4 million in FY2014 to $0.5 million in FY2015. The increase is mainly due to a net foreign exchange gain of approximately $86,000 and an increase in government grants of approximately $53,000.

Selling and distribution expenses increased by 80% or approximately $59,000 from approximately $74,000 in FY2014 to approximately $133,000 in FY2015, mainly due to an increase in sales referral commission, marketing and advertising costs.

Administrative expenses increased by 3% or $0.2 million from $5.0 million in FY2014 to $5.2 million in FY2015. This was due mainly to an increase in upkeep of office and lease rental.

Other expenses increased significantly by 241% or $5.2 million, from $2.1 million in FY2014 to $7.3 million in FY2015. This was due mainly to an increase in net allowance for doubtful trade receivables of $0.5 million, trade receivable written off of $0.2 million, advance to suppliers written off of $2.9 million and late payment charge and penalty of $1.6 million. The above increase was partially offset by a decrease in donation of approximately $95,000 and a decrease in upkeep of motor vehicles of approximately $47,000.

Finance costs increased by 35% or $0.2 million to $0.7 million, from $0.5 million in FY2014, mainly arising from increase in interest rates from trade receivable financing and letter of credit and trust receipts facilities.

As a result of the above, the Group reported a net loss of $13.8 million in FY2015 versus a net profit of $0.2 million in FY2014.

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2015

Financial Position

The Group's total assets decreased by 25% or $9.9 million from $39.6 million as at 31 December 2014 to $29.7 million as at 31 December 2015. The decrease was mainly due to a decrease in trade receivables of $0.5 million, accrued income of $7.5 million, retention sum of $2.0 million and other receivables of $0.2 million, inventory written off of $2.9 million, advance to suppliers written off of $2.9 million, an increase in net allowance for doubtful trade receivables of $0.5 million, and trade receivable written off of $0.2 million. The decrease was partially offset by an increase in property, plant and equipment from the revaluation gain of the Group's leasehold land and building of $6.8 million.

The Group's total liabilities decreased by 10% or $2.8 million from $30.1 million as at 31 December 2014 to $27.3 million as at 31 December 2015. The decrease was due mainly to a reduction in total bank borrowings of $6.1 million and a decrease in amount due to a director of $1.4 million, partially offset by an increase in trade and other payables of $4.6 million. Total bank borrowings and amount due to a director decreased due to repayments during the financial year. Trade and other payables increased due to delay in payments to creditors.

Going Concern

For FY2015, the Group recorded a net loss of $13.8 million and was in a net current liabilities position of $6.6 million as at 31 December 2015. Included in the Group's current liabilities are bank borrowings amounting to $14.5 million due for repayment within 12 months after 31 December 2015.

The financial statements of the Group and the Company for FY2015 have been prepared on the going concern basis taking into account that the Company has completed its Scheme of Arrangement on 17 October 2017 where it has settled in full all debts owed by the Company to its existing creditors as at 30 December 2016 and a continuing financial support provided by Mr Lim Chwee Kim, a controlling shareholder and Director of the Company. In addition, a director of White Cubic Pte Ltd has undertaken to provide continuing financial support to the company.

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2016

Comprehensive Income

The Group's revenue for FY2016 was derived from its 60%-owned subsidiary, White Cubic Pte Ltd ("**White Cubic**") in projects relating to supply of structural clay, concrete products, ceramic, mosaic tiles and cement works. The Group recorded a decrease in revenue of approximately $18.6 million or 80% due to deconsolidation of Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") in FY2016. JPS posted revenue of $19.4 million in FY2015. In FY2016, White Cubic reported a revenue growth of $0.8 million or 20% mainly due to commencement of a project for supply of stones (Distribution business segment) and continued contribution from an existing major project (Project business segment). Revenue from its Distribution and Projects business segments increased by $0.5 million and $0.3 million to $3.3 million and $1.3 million respectively in FY2016.

White Cubic achieved gross profit of $1.3 million in FY2016. This was higher by $0.3 million when compared to FY2015 due to increase in revenue of White Cubic. Gross profit margin of 28% in FY2016 was slightly higher when compared to 27% achieved by White Cubic in FY2015 on better management of stock wastages. JPS contributed gross loss of $2.1 million on the back of $19.4 million revenue in FY2015 mainly attributed to an approximately $2.7 million write-off of inventories and $3.0 million discount given to customers.

Other income in FY2016 comprised mainly gain from the recovery of previously impaired receivables from JPS amounting to $0.4 million.

Selling and distribution expenses amounting to $0.1 million in FY2015 related to advertising and promotion expenses, sales and marketing costs and commission expenses. None of such expenses were incurred in FY2016.

Administrative expenses declined by $3.8 million or 73%. Excluding JPS's FY2015 administrative expenses of $3.5 million, administrative expenses of the Company and White Cubic would have declined by $0.3 million. This was mainly due to decline in the Company's salary and related costs as the Company operated in the first half of FY2016 following the winding down application against JPS in June 2016. There was no significant fluctuation in depreciation expense of White Cubic which increased by $6,000 to $78,000 in FY2016.

Other expenses declined by $1.9 million or 27%. Excluding JPS's FY2015 other expenses of $6.3 million, other expenses of the Company and White Cubic would have increased by $4.4 million. This was mainly due to loss on deconsolidation of JPS amounting to $3.2 million and provision for corporate guarantee given to JPS's banks amounting to $1.1 million.

The FY2015 finance costs were mainly attributable to JPS.

The Group reported a loss of $4.9 million in FY2016 as compared to a loss of $13.8 million in FY2015. JPS contributed $13.3 million loss in FY2015. FY2016 loss of $4.9 million was mainly due to loss on deconsolidation of JPS amounting to $3.2 million, provision for corporate guarantee given to JPS's banks amounting to $1.1 million and legal and professional fees of $0.6 million. White Cubic posted a smallish net profit of approximately $44,000 for FY2016.

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2016

Financial Position

The Group's total assets decreased by approximately 95% or $28.4 million from $29.7 million as at 31 December 2015 to $1.3 million as at 31 December 2016. The significant decrease was mainly due to the deconsolidation of JPS. Main assets of JPS as at 31 December 2015 comprised property, plant and equipment of $8.8 million, inventories of $8.1 million, trade and other receivables of $11.1 million and cash of $0.3 million.

Inventories of White Cubic declined from approximately $286,000 to approximately $7,000 mainly due to utilisation of existing inventories for projects and less purchases for stocking as well as write down of inventories of approximately $61,000 and provision for slow moving inventories of approximately $40,000 during FY2016. Trade and other receivables of White Cubic increased from $0.7 million to $1.0 million mainly due to high retention monies and performance bond issued for a project.

The Group's total liabilities decreased by approximately 86% or $23.5 million from $27.3 million as at 31 December 2015 to $3.8 million as at 31 December 2016. The significant decrease was mainly due to the deconsolidation of JPS. Main liabilities of JPS as at 31 December 2015 comprised trade and other payables of $8.9 million, amount due to a corporate shareholder of the Company of $1.3 million, amount due to a director of the Company of $0.3 million and borrowings of $14.5 million. Trade payables of White Cubic increased from $1.0 million to $1.2 million mainly due to increase in purchase of stocks due to commencement of a supply project during FY2016. Other payables of the Company increased from $1.0 million to $2.5 million mainly due to a provision of corporate guarantee given to subsidiary's banks amounting to $1.1 million and higher amounts due to third parties, including professionals as the Company experienced financial difficulties following the winding down of JPS in June 2016.

Going Concern

For FY2016, the Group recorded a net loss of $4.9 million and was in a net current liabilities position of $2.6 million and net liability position of $2.5 million as at 31 December 2016. Included in the Group's current liabilities are bank borrowings amounting to approximately $6,000 due for repayment within 12 months after 31 December 2016.

The financial statements of the Group and the Company for FY2016 have been prepared on the going concern basis taking into account that the Company has completed its Scheme of Arrangement on 17 October 2017 where it has settled in full all debts owed by the Company to its existing creditors as at 30 December 2016 and a continuing financial support provided by Mr Lim Chwee Kim, a controlling shareholder and Director of the Company. In addition, a director of White Cubic has undertaken to provide continuing financial support to the company.

BOARD OF DIRECTORS

LIM CHWEE KIM
Non-Executive Chairman

Mr Lim Chwee Kim joined the Board on 10 December 2015.

Mr Lim was previously the founder and CEO of RichLand Group Limited ("**RGL**") where his primary responsibility was to formulate business strategies to chart the future growth of the group. Mr Lim started the business of providing cargo transportation services, container haulage and project cargo movement in 1992 under a sole proprietorship known as RichLand Cargo Trucking & Labour Service Agency ("**RichLand Agency**") and spearheaded the group's expansion into related businesses such as airport cargo terminal handling in 1994 and warehousing, storage and micro distribution in 1996. In 2008, Mr Lim sold his controlling stake in RGL and subsequently acquired from RGL the China investment holding company, RLG Holdings Pte. Ltd. ("**RLG Holdings**") and its subsidiaries in China, as he decided to continue to develop the land development investment project in Chengdu, China. RLG Holdings was renamed as BroyLand Holdings Pte. Ltd. in 2009. The core businesses of BroyLand Holdings Pte. Ltd. are logistics, freight forwarding and cargo service agency, as well as commercial properties and sale of sand and granite.

Mr Lim was also an executive director of Fuyuan Resources Pte. Ltd., a company engaged in the sale of sand, granite and building materials, since its incorporation in 1999 until 2012. Mr Lim is currently the vice chairman of the Citizen Consultative Committee of Hougang Single Member Constituency (SMC).

SIM CHOON JOO
Executive Director

Mr Sim Choon Joo was appointed to the Board on 11 June 2014 and was last re-elected on 30 April 2015.

Mr Sim serves as the Group's Project Director, and was an executive director of Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**"), the wholly-owned principal subsidiary of the Company, prior to its liquidation on 10 June 2016. Mr Sim is also a director of White Cubic Pte Ltd. Prior to joining JPS, he was a metal machinist with Wing Hup Engineering Pte Ltd.

JASON SIM CHON ANG
Non-Executive Director

Mr Jason Sim Chon Ang is the founder of the Group and had been Chairman of the Board till 9 December 2015 when he stepped down following the appointment of Mr Lim Chwee Kim as the Chairman. He was re-designated from CEO and Executive Director to a Non-Executive Director on 24 May 2016. Mr Jason Sim was last re-elected to the Board of the Company on 12 April 2013.

Mr Jason Sim was the executive director and CEO of JPS, prior to its liquidation on 10 June 2016. He has over two decades of experience in the timber flooring business and was previously responsible for the overall business development and general management of the Group, as well as overseeing the Group's sales and marketing team. Mr Jason Sim is also a director of White Cubic Pte Ltd.

BOARD OF DIRECTORS

WUI HECK KOON
Lead Independent Director

Mr Wui Heck Koon joined the Board on 11 June 2014 and was last re-elected on 30 April 2015.

Mr Wui is the group chief financial officer of Serial System Ltd, a company listed on the Main Board of Singapore Stock Exchange. He joined Serial System Ltd in 2000 and was appointed group company secretary the following year and group financial controller in 2006. He was re-designated as its group chief financial officer in 2011.

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

KARAM SINGH PARMAR
Independent Director

Mr Karam Singh Parmar joined the Board on 26 June 2012 and was last re-elected on 30 April 2015.

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

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

TAN LAI HENG
Independent Director

Mr Tan Lai Heng joined the Board on 26 June 2012 and was last re-elected on 30 April 2014.

Mr Tan is the executive chairman of ETLA Limited, which together with its subsidiaries, form the Asian mechatronics division of Singapore-listed Frencken Group Limited. He also sat on the board of Frencken Group Limited as an executive director from July 2009 to April 2016. Mr Tan founded Eng Tic Lee Engineering in 1985 to provide air-conditioner ducting to the automobile industry. He subsequently founded Eng Tic Lee Achieve Pte. Ltd. (formerly known as Eng Tic Lee Engineering (S) Pte Ltd) in 1992 to further expand the business by providing metal fabrication and engineering services, contract equipment manufacturing services and metal fabrication services. Mr Tan was its managing director until 2006.

CORPORATE INFORMATION

Board of Directors

Lim Chwee Kim
Non-Executive Chairman

Sim Choon Joo
Executive Director

Jason Sim Chon Ang
Non-Executive Director

Wui Heck Koon
Lead Independent Director

Karam Singh Parmar
Independent Director

Tan Lai Heng
Independent Director

Audit Committee

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

Nominating Committee

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

Remuneration Committee

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

Company Secretaries

Wong Yoen Har (ACIS)

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Company Sponsor

SAC Capital Private Limited
1 Robinson Road #21-02
AIA Tower
Singapore 048542

Registered Office

11 Tampines Street 92
#03-05 Tampines BizHub
Singapore 528872
Tel : (65) 6753 0883
Fax : (65) 6753 5833

Independent Auditor

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-charge: Aw Vern Chun Philip
(Since financial year ended 31 December 2013)

CORPORATE GOVERNANCE REPORT

As discussed in "Chairman's Statement" section of this Annual Report and in Principle 11 below, the Board of Directors (the "**Board**" or "**Directors**") of the Company has since 1 January 2015 to the date of this Corporate Governance Report, undertaken a series of actions in response to the various events that have occurred within the Group. The Board recognizes the importance of good corporate governance practices within the Group to safeguard the interest of shareholders and to enhance corporate value and accountability. The Board will continue to be committed to enhancing the Group's corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Singapore Code of Corporate Governance 2012 (the **"2012 CG Code**") and the requirements under Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**").

This Corporate Governance Report describes the Company's corporate governance practices and structures that were in place during the financial years ended 31 December 2015 ("**FY2015**") and 31 December 2016 ("**FY2016**") with reference to the 2012 CG Code. Where there are deviations from the recommendations of the Code, appropriate explanations have been 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 long-term success of the company. The board works with the management of the company to achieve this objective and the management remains accountable to the board.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. Matters which specifically require the Board's decision or approval are those involving:

(a) corporate strategy and business plans;
(b) investment and divestment proposals;
(c) funding decisions of the Group;
(d) nominations of Directors for appointment and re-appointment to the Board and appointment of key personnel;
(e) announcement of half-year and full-year results, the annual report and accounts;
(f) material acquisitions and disposals of assets; and
(g) all matters of strategic importance.

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

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

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

CORPORATE GOVERNANCE REPORT

During FY2015, the number of meetings held and attended by each member of the Board is as follows:

Type of Meeting	Board		AC		NC		RC	
Name of Director	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Lim Chwee Kim [(1)]	9	1	N/A	N/A	N/A	N/A	N/A	N/A
Jason Sim Chon Ang [(2)]	9	9	N/A	N/A	N/A	N/A	N/A	N/A
Sim Choon Joo	9	8	N/A	N/A	N/A	N/A	N/A	N/A
Wui Heck Koon	9	9	4	4	2	2	2	2
Tan Lai Heng	9	8	4	4	2	2	2	2
Karam Singh Parmar	9	8	4	4	2	2	2	2

During FY2016, the number of meetings held and attended by each member of the Board is as follows:

Type of Meeting	Board		AC		NC		RC		Special Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
Name of Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Lim Chwee Kim [(1)]	6	5	N/A	N/A	N/A	N/A	N/A	N/A	2	2
Jason Sim Chon Ang [(2)]	6	6	N/A	N/A	N/A	N/A	N/A	N/A	2	2[(3)]
Sim Choon Joo	6	4	N/A	N/A	N/A	N/A	N/A	N/A	2	1[(3)]
Wui Heck Koon	6	6	1	1	1	1	1	1	2	2
Tan Lai Heng	6	5	1	1	1	1	1	1	2	2
Karam Singh Parmar	6	5	1	1	1	1	1	1	2	2

N/A: Not Applicable

Notes:

(1) Lim Chwee Kim was appointed as the Non-Executive Chairman of the Company on 10 December 2015.

(2) Jason Sim Chon Ang ceased to be the Chairman of the Company on 10 December 2015 and has been re-designated as a Non-Executive Director on 24 May 2016, following the Special Committee's implementation of the Suspension of CEO (as defined in Principle 11 below).

(3) Attendance by invitation

CORPORATE GOVERNANCE REPORT

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

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

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

Board Composition and Guidance

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

As at the date of this Corporate Governance Report, the Board comprises the following Directors:

Executive Director	
Sim Choon Joo	Executive Director
Non-Executive Directors	
Lim Chwee Kim	Non-Executive Chairman
Jason Sim Chon Ang	Non-Executive Director
Wui Heck Koon	Lead Independent Director
Karam Singh Parmar	Independent Director
Tan Lai Heng	Independent Director

There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in law, accounting, finance, business and management and strategic planning. The profile of the Directors is set out on the "Board of Directors" section on pages 8 and 9 of this Annual Report.

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

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

CORPORATE GOVERNANCE REPORT

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

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

Chairman and Chief Executive Officer

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

Jason Sim Chon Ang assumed the roles of the Executive Chairman and the CEO till 9 December 2015 and 24 May 2016 respectively.

With effect from 10 December 2015, Lim Chwee Kim has been appointed as Non-Executive Chairman of the Company. The role and the responsibilities of the Non-Executive Chairman include but not limited to the arrangement of board meetings as well as to promote a culture of openness and debate at the Board to ensure the Board's effectiveness. Besides ensuring that the Directors receive complete, adequate and timely information, the role of the Non-Executive Chairman includes ensuring effective communication with shareholders and promoting high standards of corporate governance.

Following the Suspension of CEO on 24 May 2016, the Special Committee resolved to look into the appointment of an interim CEO ("**Interim CEO**"). The duty of the Interim CEO shall be to supervise the day-to-day operations of the Group, safeguard the Group's assets and to facilitate any investigation into the affairs of the Group. The Interim CEO shall report directly to the Special Committee and shall report any irregularities to the Special Committee and the Board. Due to the lack of resources, an Interim CEO has not been appointed.

The roles of Chairman of the Board and CEO (or its equivalent) are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Company has thus adopted the recommendation of the 2012 CG Code to have different individuals appointed as the Chairman and the CEO since 10 December 2015.

During Jason Sim Chon Ang's tenure as Chairman of the Board and CEO till 9 December 2015 and 24 May 2016 respectively, he was responsible for the formulation of the Group's strategic directions and expansion plans, and managing the Group's overall business development.

The Company did not adopt the recommendation of the 2012 CG Code to have different individuals appointed as the Chairman of the Board and CEO during the period of Jason Sim Chon Ang's dual appointment. Taking into account the corporate structure, size, nature and scope of the Group's operation during the aforesaid period, the Board was of the view that with the establishment of the three Board committees, there were adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

CORPORATE GOVERNANCE REPORT

During the same period of Jason Sim Chon Ang's dual appointment, the Board has appointed Wui Heck Koon as the Lead Independent Director as well as the Chairman of the AC since 11 June 2014. In accordance with the 2012 CG Code, Wui Heck Koon is available to shareholders when they have concerns that contact through the normal channels of the Chairman of the Board, the then CEO and/or Financial Controller has failed to resolve, or for which such contact is inappropriate.

Board Membership

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

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

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

The nature of the Directors' appointment on the Board and details of their membership on the Board committees as at the date of this Corporate Governance Report are set out as below:

Director	Board Membership	AC	RC	NC
Lim Chwee Kim [(1)]	Non-Executive Chairman	–	–	–
Jason Sim Chon Ang [(2)]	Non-Executive Director	–	–	–
Sim Choon Joo	Executive Director	–	–	–
Wui Heck Koon	Lead Independent Director	Chairman	Member	Member
Karam Singh Parmar	Independent Director	Member	Chairman	Chairman
Tan Lai Heng	Independent Director	Member	Member	Member

Notes:

(1) Lim Chwee Kim was appointed as the Non-Executive Chairman of the Company on 10 December 2015.

(2) Jason Sim Chon Ang ceased to be the Chairman of the Company on 10 December 2015 and has been re-designated as a Non-Executive Director on 24 May 2016, following the Special Committee's implementation of the Suspension of CEO (as defined in Principle 11 below).

The NC has written terms of reference that describe its duties and the responsibilities of its members. The principal functions of the NC are as follows:

(a) to review and recommend the nomination or re-nomination of Directors having regard to their contribution and performance;
(b) to determine on an annual basis whether or not a Director is independent;
(c) to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into account the Director's number of listed company board representations and other principal commitments;
(d) to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board; and
(e) to recommend to the Board the review of Board succession plans for the Directors, in particular, for the Chairman of the Board and the CEO.

CORPORATE GOVERNANCE REPORT

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

(a) six directorships without other executive role; or
(b) four directorships with other executive role(s).

There is no alternate Director on the Board.

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

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

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

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

Under the Company's Constitution, all Directors are required to submit themselves for re-nomination and re-election every three years. Directors who retire are eligible to offer themselves for re-election. Further, at each annual general meeting ("**AGM**") at least one-third of the Directors (or, if the number of Directors is not a multiple of three, the number of Directors nearest to but not less than one-third of the number of Directors) shall retire from office by rotation.

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

Lim Chwee Kim was appointed as a Non-Executive Chairman of the Company on 10 December 2015. Lim Chwee Kim has submitted himself for re-election at the forthcoming AGM who is retiring pursuant to Article 102 of the Company's Constitution which requires a Director appointed as an addition to the Board to hold office only until the next AGM. Lim Chwee Kim will, upon re-election, be re-designated as Executive Chairman of the Company. The NC has reviewed and is satisfied that Lim Chwee Kim is properly qualified for re-election by virtue of his skills, experiences and contributions.

The NC has also reviewed and satisfied that Karam Singh Parmar, Tan Lai Heng and Wui Heck Koon, who are retiring pursuant to Article 98 of the Company's Constitution, are properly qualified for re-elections by virtue of their skills, experience and contributions. Upon re-election, Wui Heck Koon will remain as Lead Independent Director of the Company while Karam Singh Parmar and Tan Lai Heng will remain as Independent Directors of the Company.

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The Board has received a letter dated 24 May 2016 issued by the SGX-ST (**"SGX-ST Letter**") requiring, *inter alia*, the Board to comply with Rule 720 of the Catalist Rules and that the SGX-ST's approval must be sought should there be any proposed change to the composition of the Board and/or key executive officers. Jason Sim Chon Ang and Sim Choon Joo have submitted themselves for retirement and will not be seeking re-election at the forthcoming AGM. The Company has through its Sponsor written to the SGX-ST to seek the SGX-ST's approval for the retirement of Jason Sim Chon Ang and Sim Choon Joo as Directors of the Company at the forthcoming AGM. On 2 May 2018, the SGX-ST advised that it has no objection to the retirement of Jason Sim Chon Ang and Sim Choon Joo as Directors of the Company at the forthcoming AGM on 28 May 2018.

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

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

Director	Position	Date of Initial Appointment	Date of Last Re-election	Directorships in other listed companies	
				Current	Past (FY2013 – FY2017)
Lim Chwee Kim (1)	Non-Executive Chairman	10/12/2015	–	Union Gas Holdings Limited	–
Jason Sim Chon Ang (2)	Non-Executive Director	12/08/2011	12/04/2013	–	–
Sim Choon Joo	Executive Director	11/06/2014	30/04/2015	–	–
Wui Heck Koon	Lead Independent Director	11/06/2014	30/04/2015	–	–
Karam Singh Parmar	Independent Director	26/06/2012	30/04/2015	–	–
Tan Lai Heng	Independent Director	26/06/2012	30/04/2014	–	Frencken Group Limited

Notes:

(1) Lim Chwee Kim was appointed as the Non-Executive Chairman of the Company on 10 December 2015.

(2) Jason Sim Chon Ang ceased to be the Chairman of the Company on 10 December 2015 and has been re-designated as a Non-Executive Director on 24 May 2016, following the Special Committee's implementation of the Suspension of CEO (as defined in Principle 11 below).

Further key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" section on pages 8 and 9 and "Directors' Statement" section on pages 33 to 35 and pages 100 to 102 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Board Performance

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

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

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

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

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

Due to the unique circumstances of the Group, no evaluation of the performance of the Board and the individual Directors was performed in FY2015 and FY2016.

Access to Information

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

Until FY2015, the Directors are furnished with information from the Management about the Group as well as the relevant background information relating to the business and financial of the Group which were discussed at Board and AC meetings or informal meetings. Thereafter, due to the unique circumstances, the Board has endeavored to discharge its duties and responsibilities in relation to the Group's financial status without any support from the Management.

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

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

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

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

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

(a) to review and approve the policy for determining the remuneration of the executives of the Group, including that of the Executive Director, CEO and other key management executives;
(b) to review the on-going appropriateness and relevance of our executive remuneration policy and other benefit programmes;
(c) to consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each member of key management (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;
(d) to review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
(e) to consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each member of key management;
(f) to determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement, to determine each year whether awards will be made under such plans, to review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review, approve and keep under review performance hurdles and/or fulfilment of performance hurdles under such plans;
(g) to approve the remuneration framework (including Directors' fees) for Non-Executive Directors on the relevant boards of directors within the Group; and
(h) to review the remuneration of employees who are related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities.

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

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

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

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

Level and Mix of Remuneration

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

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

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

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

The former CEO is paid based on his service agreement with the Company as disclosed in the Company's Offer Document dated 13 September 2012. He was paid till 24 May 2016 following the suspension of his appointment as CEO.

The Special Committee, having considered the EY Report and the potential breaches highlighted by the legal counsel and the Sponsor, has resolved to implement the Suspension of CEO. Following such suspension, the former CEO shall remain a Non-Executive Director of the Group but will not perform any executive functions.

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

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

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

A breakdown, showing the level and mix of each individual Director's remuneration for FY2015 are as follows:

Director	Salary %	Bonus %	Benefits %	Directors' Fees [4] %	Total $
Lim Chwee Kim [1]	-	-	-	-	-
Jason Sim Chon Ang [2]	85	7	8	-	332,184
Sim Choon Joo [3]	80	4	16	-	136,571
Wui Heck Koon [6]	-	-	-	100	35,000
Karam Singh Parmar [7]	-	-	-	100	30,000
Tan Lai Heng [8]	-	-	-	100	30,000

A breakdown, showing the level and mix of each individual Director's remuneration for FY2016 are as follows:

Director	Salary %	Bonus %	Benefits %	Directors' Fees [5] %	Total $
Lim Chwee Kim [1]	-	-	-	-	-
Jason Sim Chon Ang [2]	100	-	-	-	112,486
Sim Choon Joo [3]	100	-	-	-	55,680
Wui Heck Koon [6]	-	-	-	100	35,000
Karam Singh Parmar [7]	-	-	-	100	30,000
Tan Lai Heng [8]	-	-	-	100	30,000

Notes:

(1) Lim Chwee Kim was appointed as the Non-Executive Chairman of the Company on 10 December 2015. He was not paid remuneration for FY2015 and FY2016.

(2) Following the Suspension of CEO, Jason Sim Chon Ang's service agreement was terminated on 24 May 2016. Accordingly, his remuneration entitlements under the service agreement has been terminated on the same date. Jason Sim Chong Ang was paid $72,780 in FY2016. His remaining outstanding salary of $39,706 was paid in cash of $3,923 and by issuance of 2,688,313 shares of the Company at $0.001 per share in 2017 pursuant to the Scheme of Arrangement of the Company.

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

CORPORATE GOVERNANCE REPORT

(4) The Directors' fees amounting to $95,000 for FY2015 were approved by the shareholders of the Company at the last AGM held on 30 April 2015.

(5) The Directors' fees amounting to $95,000 for FY2016 have not been approved by the shareholders of the Company but has been accrued in FY2016. The Directors' fees for FY2016 will be tabled for the approval of the shareholders of the Company at the forthcoming AGM on 28 May 2018.

(6) Wui Heck Koon was paid a fee of $8,750 from January to March 2015. From April 2015 to December 2015, his remaining fee amounting to $26,250 was paid in cash of $2,594 and by issuance of 1,777,252 shares of the Company at $0.001 per share in 2017 pursuant to the Scheme of Arrangement of the Company.

(7) Karam Singh Parmar was paid a fee of $7,500 from January to March 2015. From April 2015 to December 2015, his remaining fee amounting to $22,500 was paid in cash of $2,223 and by issuance of 1,523,359 shares of the Company at $0.001 per share in 2017 pursuant to the Scheme of Arrangement of the Company.

(8) Tan Lai Heng was paid a fee of $7,500 from January to March 2015. From April 2015 to December 2015, his remaining fee amounting to $22,500 was paid in cash of $2,223 and issuance of 1,523,359 shares of the Company at $0.001 per share in 2017 pursuant to the Scheme of Arrangement of the Company.

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

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

A breakdown showing the level and mix of top key management personnel (who are not Directors or CEO) for FY2015 are as follows:

Remuneration Band and Name of Executive (1)	**Salary %**	**Bonus %**	**Benefits %**	**Total %**
Below S$250,000				
New Sze Wei (2)	93	7	-	100
Chan Mei Lin	94	6	-	100
Andrew Loke Yew Kong (3)	93	7	-	100

A breakdown showing the level and mix of top key management personnel (who are not Directors or CEO) for FY2016 are as follows:

Remuneration Band and Name of Executive (1)	**Salary %**	**Bonus %**	**Benefits %**	**Total %**
Below S$250,000				
New Sze Wei (2)	100	-	-	100
Chan Mei Lin (4)	100	-	-	100
Alison Yong Mue Fun (5)	100	-	-	100
Andrew Loke Yew Kong (3)	100	-	-	100

CORPORATE GOVERNANCE REPORT

Notes:

(1) In FY2015, the Company only has three top key management personnel who are not Directors or CEO, namely, New Sze Wei, Chan Mei Lin and Andrew Loke Yew Kong. In FY2016, Alison Yong Mue Fun joined the Company as a top key management personnel.

(2) New Sze Wei is the brother-in-law of Jason Sim Chon Ang, Non-Executive Director of the Company. New Sze Wei ceased to be the Operations Director on 24 May 2016, following the Special Committee's implementation of the Suspension of Operations Director (as defined in Principle 11 below).

(3) Andrew Loke Yew Kong resigned as the Group Financial Controller and Company Secretary on 18 April 2016.

(4) Chan Mei Lin resigned from the Company on 30 June 2016.

(5) Alison Yong Mue Fun joined the Company on 15 February 2016 and assumed the duties and responsibilities as the Group Financial Controller and Company Secretary with effect from 18 April 2016. Alison Yong Mue Fun resigned from the Company on 31 August 2016.

When appropriate, shareholders' approval will be sought at a general meeting to be convene for the payment of Directors' fees.

The total remuneration paid/payable to the top key management personnel (who are not Directors or CEO) was $294,638 and $177,548 for FY2015 and FY2016, respectively.

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

Save for Sim Choon Joo and New Sze Wei who are the brother and the brother-in-law respectively of the Non-Executive Director, Jason Sim Chon Ang, no other employee of the Group whose remuneration exceeds $50,000 during FY2015 and FY2016 is an immediate family member of any of the Directors.

ACCOUNTABILITY AND AUDIT

Accountability

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

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

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

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

The Special Committee, having carefully considered the EY Report and the potential breaches highlighted by the legal counsel and the Sponsor, has on 24 May 2016 resolved to, implement measures as described in Principle 11 below to safeguard the interests and assets of the Group and protect the interests of minority shareholders of the Company.

Further, arising from the Winding Up Order, the Board has been announcing and will continue to announce a monthly update regarding the Group's financial situation in accordance with Rule 704(22) of the Catalist Rules.

Risk Management and Internal Controls

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

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

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

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

The Board has approved a Group Risk Management Framework for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework. The AC oversees risk governance which includes the following roles and responsibilities:

(a) proposes the risk governance approach and risk policies for the Group to the Board;
(b) reviews the risk management methodology adopted by the Group;
(c) reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by the Management; and
(d) reviews the Management's assessment of risks and the Management's action plans to mitigate such risks.

CORPORATE GOVERNANCE REPORT

Potential Misstatement of the Unaudited Half Year Financial Statements for the 6-Month Period Ended 30 June 2015

Following feedback from an employee of the Company (the "**Feedback**") in relation to, *inter alia*, certain operational aspects of the Company's subsidiaries, namely JPS and White Cubic, as well as the general tight cash flow position of the Group, the AC commissioned its internal auditors, Yang Lee & Associates, to prepare an Internal Audit Report ("**IA Report**") on the Feedback. The IA Report was received from Yang Lee & Associates on 6 January 2016 and the material findings in the IA Report was announced on 14 January 2016 ("**14 January 2016 Announcement**").

The IA Report highlighted, *inter alia*, the following material findings:

(i) JPS did not make salary payments to certain employees in accordance with the timelines stipulated in the Employment Act.

(ii) JPS did not comply with certain bank covenants relating to three banking facilities as at 30 June 2015. As at the date of the 14 January 2016 Announcement, these non-compliances have been rectified in that (a) two of the banking facilities have been fully repaid by 30 September 2015; and (b) the amount outstanding in respect of the remaining bank facility had been reduced through repayment.

(iii) There were erroneous submissions of supporting documents for the application of short term trade facilities.

(iv) There had been lapses in the Group's internal controls systems in respect of timely and adequate recording of transactions. As a result, JPS had failed to identify omissions (the "**Omissions**") in the recognition of cost of goods sold ("**COGS**") in relation to certain revenue recognised in the unaudited half year financial statements for the six-month period ended 30 June 2015 ("**HY2015**"), which was announced by the Company on 14 August 2015. The Omissions appeared to be primarily due to a system design gap in the enterprise resource planning system. There is accordingly a potential overstatement of approximately $2.0 million in the profit and loss position of the Group for HY2015 due specifically to the Omissions identified.

On 5 January 2016, the external auditors of the Company, BDO LLP, was engaged by JPS to perform specific tests ("**AUP**") on the revenue and COGS of JPS for HY2015. BDO LLP presented the results of their AUP in a report dated 30 May 2016 ("**BDO AUP Report**"). The salient findings presented in the BDO AUP Report ("**BDO AUP Findings**") are set out below:

(a) Not all criteria under the relevant financial reporting standards for the recognition of material off-site claim as revenue have been met and as such, those material off-site claims that did not meet all the criteria but was recognised as revenue for HY2015 was approximately $4.3 million;

(b) The management of JPS was unable to reconcile the work completed (for all projects under review) from the revenue schedule as at 30 June 2015 to the general ledger for HY2015. The amount recorded in the revenue schedule provided to BDO LLP was lower by approximately $155,000 as compared to the revenue recorded in the general ledger for HY2015; and

(c) The management of JPS was unable to reconcile the total COGS of each project under review, from the project actual cost schedule to the general ledger. The COGS schedule provided to BDO LLP was lower by approximately $238,000 compared to the COGS as recorded in the general ledger.

CORPORATE GOVERNANCE REPORT

Constitution of Special Committee and Appointment of Professionals

In the 14 January 2016 Announcement, the Company also announced the commissioning of Special Committee, comprising Lim Chwee Kim (Non-Executive Chairman), Wui Heck Koon (Lead Independent Director), Karam Singh Parmar (Independent Director) and Tan Lai Heng (Independent Director), to review in detail the findings of the IA Report as well as to conduct a comprehensive review and assessment of the cash flow projections of the Group in the next 12 months. The Special Committee had appointed Ernst & Young Advisory Pte. Ltd. ("**EY**") to perform a review of the IA Report and to conduct an assessment into certain account balances of the Income Statement and Balance Sheet of the principal operating subsidiary of the Company, JPS for FY2015; and Ernst & Young Solutions LLP to provide financial advisory services.

On 24 May 2016, the Special Committee announced the completion of review by EY and published the Executive Summary of the report issued by EY ("**EY Report**"). The EY Report highlighted potential breaches of fiduciary duties in the management and administration of JPS. The Special Committee sought legal advice on the legal implications of the EY Report and it was the preliminary assessment by the legal counsel that, *inter alia*, the directors of JPS may have breached their fiduciary duties in the management and administration of JPS. Based on a preliminary review of the findings of the EY Report, the Sponsor is of the view that certain (i) Catalist Rules and (ii) guidelines and principles of the 2012 CG Code may have been breached.

Management of the Group's Affairs

The Special Committee, having carefully considered the EY Report and the potential breaches highlighted by the legal counsel and the Sponsor, had on 24 May 2016 resolved to, amongst others, implement measures to safeguard the interests and assets of the Group and protect the interests of minority shareholders of the Company. These measures include, *inter alia*, suspended Jason Sim Chon Ang from his position as CEO of the Group ("**Suspension of CEO**") and re-designated him as a Non-Executive Director of the Company without any executive role; and suspended New Sze Wei from his key executive position as Operations Director of the Group ("**Suspension of Operations Director**").

In view of the above, the AC has recommended to the Board that they are of the opinion that the Group's risk management system and internal controls addressing financial, operational, compliance and information technology risks were inadequate. The Board has endorsed the AC's recommendations.

Due to the special circumstances set out above, the Board is unable to obtain confirmation from the former CEO and the former Financial Controller that the financial records have been properly maintained; and that the financial statements give a true and fair view of the Group's operations and finances; and that the Group's risk management systems and internal control systems are effective.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly sets out its authority and duties.

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

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

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

CORPORATE GOVERNANCE REPORT

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

The AC provides a channel of communication between the Board, the Management and the external auditors on matters relating to audit. The AC meets periodically, *inter alia*, to:

(a) review the audit plans of the external auditors and internal auditors, including the results of the external auditors and internal auditors' review and evaluation of the system of internal controls of the Group;
(b) review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the external auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
(c) review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the Catalist Rules before submission to the Board for approval;
(d) review and discuss with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
(e) review the co-operation given by the Management to the external auditors;
(f) consider the appointment or re-appointment of the external auditors;
(g) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
(h) review any potential conflicts of interests;
(i) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
(j) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
(k) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time; and
(l) oversee risk governance (refer to detailed disclosure under Principle 11).

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

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

CORPORATE GOVERNANCE REPORT

The AC has explicit authority to investigate any matter within its terms of reference. In view of the special circumstances as disclosed under Principle 11, with limited resources coupled with the fact that all management personnel have left the employment of the Company, the AC currently does not have full access to and/or the cooperation of the Management to discharge its function properly. However, it has full discretion to invite any Executive Director or key management personnel to attend its meetings.

In the discharge of its functions and duties, the AC had carried out activities which are in line with the terms of reference of the AC for FY2015 and FY2016. Additionally, in view of the findings in the IA Report, the Board commissioned the Special Committee to review the findings of the IA Report in detail, as well as to conduct a comprehensive review and assessment of the cash flow projections for the Group in the next 12 months. Please refer to detailed disclosure under Principle 11 of this Corporate Governance Report.

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

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

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. During FY2015 and FY2016, the aggregate amount of fees paid or payable to the external auditors for audit services amounted to $75,000 and $57,000 respectively. In respect of FY2015, the non-audit fees payable to the external auditors amounted to S$15,000 which is in relation to AUP performed by BDO LLP as detailed in Principle 11. In respect of FY2016, there was no non-audit fees paid or payable to BDO LLP. The AC, having reviewed such non-audit services and the amount of fees involved, confirmed that it is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. In 2017, BDO LLP was paid in cash of $3,669 and by issuance of 2,516,443 shares of the Company for the FY2015 outstanding fee of $37,129 pursuant to the Scheme of Arrangement of the Company. BDO LLP has disposed the 2,516,443 shares of the Company in November 2017 and in turn received $1,258 in cash. For FY2015 and FY2016, the AC has reviewed and is satisfied with the independence and objectivity of the external auditors.

During the year, the AC reviewed proposals from several audit firms and made a recommendation to the Board for its proposal to shareholders. The AC nominated Moore Stephens LLP as auditor for the financial year ended 31 December 2017, and Moore Stephens LLP had expressed their willingness to accept the appointment.

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

The Board has, on the recommendation of the AC, implemented a whistle-blowing policy whereby the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware. In FY2015, the Audit Committee received the Feedback from an employee of the Company. Pursuant to which, the Audit Committee took actions which are further described under Principle 11 of this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Internal Audit

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

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

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

The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that the Management provides the necessary co-operation to enable the IA to perform its function.

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

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

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

The IA completed one review for FY2015 in accordance with the internal audit plan approved by the AC. The findings and recommendations of the IA, the Management's responses, and the Management's implementation of the recommendations have been reviewed and discussed with the AC.

In January 2016, the AC also commissioned the IA to carry out certain checks pursuant to the Feedback. Subsequent to the receipt of the IA Report, the Company immediately commissioned its external auditors, BDO LLP, to perform certain tests on the Group's revenue and COGS for HY2015. A Special Committee was also formed to review the findings of the IA Report in detail, as well as to conduct a comprehensive review and assessment of the cash flow projections for the Group in the next 12 months. Please refer to Principle 11 of this Corporate Governance Report for more details.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

The Company's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

CORPORATE GOVERNANCE REPORT

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in a major local newspaper and posted onto the SGXNet on the day of despatch of the annual reports or circulars to shareholders. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings.

The Company's Constitution also allows shareholders to appoint up to two proxies in their absence to attend and vote on their behalf at the general meetings. Further, the Company allows corporations which provide nominee or custodial services to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

Communication with Shareholders

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

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Singapore Companies Act, Chapter 50, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group. Further, arising from the Winding Up Order, the Board has been announcing and will continue to announce a monthly update regarding the Group's financial situation in accordance with Rule 704(22) of the Catalist Rules.

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

The Company currently does not have a fixed dividend policy as the form, frequency and amount of dividends depends on the Company's performance. The Management after reviewing the performance of the Company in the relevant financial period will make appropriate recommendations to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNet. No dividend is recommended for FY2015 and FY2016 respectively due to the special circumstances of the Group.

Conduct of Shareholder Meetings

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

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

The Company's Constitution currently does not allow a shareholder to vote in absentia.

CORPORATE GOVERNANCE REPORT

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

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

Resolutions are passed at general meetings by poll. This will entail shareholders being invited to vote on each of the resolutions by poll, using polling slips (rather than by a show of hands), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The Company will employ electronic polling if necessary. Announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will also be made on the same day. The results of all general meetings are released on SGXNet on the same day.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted policies in line with the requirements of the Catalist Rules on dealings in the Company's securities. The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information of the Group. They are not allowed to deal in the Company's shares during the period of one month prior to the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

Interested Person Transactions

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

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

No general mandate has been obtained from shareholders in respect of IPT for FY2015 and FY2016. There were no interested person transactions entered into during FY2015 and FY2016 with a value of more than $100,000 each.

Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's Sponsor, SAC Capital Private Limited, for FY2015 and FY2016 respectively.

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, either still subsisting at the end of FY2015 and FY2016 respectively or if not then subsisting, which were entered into since the end of FY2014 and FY2015 respectively.

CORPORATE GOVERNANCE REPORT

Use of Proceeds from the Share Placement

As at the date of this Annual Report, the Company has utilised $986,000 of the $1.0 million proceeds from the share placement issued to Lim Chwee Kim, the Non-Executive Director and Chairman of the Company on 9 June 2017 in accordance to the stated used of the proceeds as follows:

(a) $750,000 has been utilised towards the payment of the Scheme consideration to the participating creditors to compromise in full all actual and contingent claims against the Company pursuant to the SOA; and
(b) $236,000 has been utilised to pay for professional fees in relation to the share placement and the SOA.

The balance $14,000 will be used to fund the Company's working capital.

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2015

The Directors of Jason Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) In view of the significant uncertainties on the financial statements arising from events disclosed in Note 28(a), 28(b), 28(c) and 28(j) to the financial statements in relation to the internal audit findings, report by Ernst & Young Advisory Pte. Ltd., investigations by the Commercial Affairs Department and the winding up orders against the Company's principal subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd respectively, the directors were unable to express whether the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up 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 the financial performance, changes in equity and cash flows of the Group for the year end on that date.

(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 as disclosed in Note 4 to the financial statements.

2. Directors

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

Lim Chwee Kim (Appointed on 10 December 2015)
Sim Choon Joo
Jason Sim Chon Ang
Wui Heck Koon
Tan Lai Heng
Karam Singh Parmar

3. Arrangements to enable Directors to acquire shares or debentures

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

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2015

4. Directors' interests in shares or debentures

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

Name of Directors and company in which interests are held	Shareholdings registered in name of Director	
	At 1 January 2015	At 31 December 2015
The Company		
Jason Holdings Limited		
(No. of ordinary shares)		
Jason Sim Chon Ang	103,828,000	51,028,000
Sim Choon Joo	5,400,000	5,400,000
Lim Chwee Kim	-	42,800,000

By virtue of Section 7 of the Act, Jason Sim Chon Ang is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2016 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2015.

5. Share options

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

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

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit committee

The audit committee of the Company is chaired by Wui Heck Koon, an independent Director, and includes Tan Lai Heng and Karam Singh Parmar, who are both independent Directors. The audit committee's functions in accordance to section 201B(5), include reviewing the following:

(a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;
(b) the Company's and the Group's financial and operating results and accounting policies;
(c) the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;
(d) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
(e) the co-operation and assistance given by the management to the Company's internal and external auditor; and
(f) the re-appointment of the external auditor of the Company.

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2015

6. Audit Committee (Continued)

In addition, in view of the findings in the IA Report, the Board commissioned the Special Committee (comprising the audit committee and the Non-Executive Director and Chairman) to review the findings of the IA Report in detail, as well as to conduct a comprehensive review and assessment of the cash flow projections for the Group in the next 12 months. Note 28(b) provide details on Ernst & Young Advisory Pte Ltd appointed by the Special Committee pursuant to the Internal Audit Findings.

The Special Committee, having carefully considered the Report by Ernst & Young Advisory Pte Ltd and the potential breaches highlighted therein, had on 24 May 2016 resolved to, amongst others, implement measures to safeguard the interests and assets of the Group and protect the interests of minority shareholders of the Company. These measures include, inter alia, suspended Mr Jason Sim Chon Ang from his position as CEO of the Group ("Suspension of CEO") and re-designated him as a Non-Executive Director of the Company without any executive role; and suspended Mr New Sze Wei from his key executive position as Operations Director of the Group ("Suspension of Operations Director").

In view of the above, the audit committee has recommended to the Board of Directors of the Company that they are of the opinion that the Group's risk management system and internal controls addressing financial, operational, compliance and information technology risks were inadequate. The Board of Directors of the Company has endorsed the audit committee's recommendations. Due to the special circumstances set out above, the audit committee and the Board of Directors are unable to obtain confirmation from the former CEO and the former Financial Controller that the financial records have been properly maintained; that the financial statements give a true and fair view of the Group's operations and finances; and that the Group's risk management systems and internal control systems are effective.

In addition, the audit committee did not have full access to and/or the full cooperation from the management to discharge its function properly. However, it had full discretion to invite any Directors and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The audit committee has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditor of the Company for FY2016 at the forthcoming Annual General Meeting of the Company.

7. Independent auditor

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

On behalf of the Board of Directors

Jason Sim Chon Ang
Director

Sim Choon Joo
Director

Singapore
16 April 2018

INDEPENDENT AUDITOR'S REPORT

To The Members Of Jason Holdings Limited

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Jason Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out from page 41 to 99 of this Annual Report.

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 conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis of Disclaimer Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Jason Parquet Specialist (Singapore) Pte Ltd ("JPS"): Independent reviews and findings, winding up of JPS and other scope limitations

   During the course of our audit of the accompanying financial statements, we were informed by the Board of Directors of the Company ("Board") that the Audit Committee had commissioned the Company's Internal Auditors ("IA") to carry out certain agreed-upon procedures ("AUP") on the Group covering the 6-month period ended 30 June 2015 ("HY2015"). In view of the IA findings, we were engaged by the Group to perform certain other AUP on the revenue and cost of sales for HY2015 of JPS, the principal operating subsidiary of the Company. In addition, a Special Committee of the Board appointed Ernst & Young Advisory Pte. Ltd. ("E&Y") to perform a review of the IA findings and also conduct an assessment into certain account balances and transactions of JPS for the financial year ended 31 December 2015. Further to E&Y's findings, the Special Committee suspended the then Chief Executive Officer and Operations Director of the Group from their respective positions due to potential breaches of fiduciary duties in the management and administration of JPS. Salient findings of the IA, our AUP and E&Y were announced by the Company on 14 January 2016, 31 May 2016 and 24 May 2016 respectively and summarised in Notes 28(a) and 28(b) to the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Jason Holdings Limited

Report on the financial statements (Continued)

Basis for Disclaimer of Opinion (Continued)

1. Jason Parquet Specialist (Singapore) Pte Ltd ("JPS"): Independent reviews and findings, winding up of JPS and other scope limitations (Continued)

   We assessed the impact of the various findings during the course of our audit and noted that there may be misstatements in multiple elements of the accompanying financial statements, including, but not limited to, "revenue", "costs of sales", "inventories", "trade receivables", "advance to suppliers", "deposits" and "borrowings - trade receivable financing". We also noted inconsistencies in certain information highlighted in E&Y's Executive Summary Report and the information we had gathered during the course of our audit.

   While we sought to understand the inconsistencies and carry out independent verification procedures on E&Y's findings and other further audit procedures to complete our audit, a winding up order was made against JPS by the High Court of Singapore and liquidators were appointed on 10 June 2016 (further disclosed in Note 28(j) to the accompanying financial statements) and consequently, the Group lost control of JPS on that date. Following this, the Company experienced significant limitation of staff resources following the suspension and/or resignation of key management personnel and other staff, as well as the resignation of the finance team. We were also denied access to E&Y's Full Report. We were therefore unable to obtain satisfactory responses to our requests for supporting documents, information and explanations arising from our audit and on the matters in relation to E&Y's findings.

   Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out further audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

   (a) to conclude whether the accompanying financial statements are materially misstated in relation to the findings in E&Y's Executive Summary Report;

   (b) to ascertain the existence, completeness, accuracy, valuation and/or classification, and related disclosures, of various transactions and balances relating to JPS, including the prior year adjustments made by management; and

   (c) to evaluate whether the Group had operated within appropriate internal control and corporate governance frameworks which may have a pervasive effect on the accompanying financial statements.

   Consequently, we were unable to conclude whether the financial information of JPS which had been consolidated in the Group's consolidated financial statements were free from material misstatement and whether any adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2015.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Jason Holdings Limited

Report on the financial statements (Continued)

Basis for Disclaimer of Opinion (Continued)

2. Scheme of Arrangement and liabilities of the Company

As at 31 December 2015, the Company recorded liabilities amounting to $973,101. In addition, the Company had provided corporate guarantees to banks for facilities granted to JPS as disclosed in Note 26.4 to the accompanying financial statements.

On 1 December 2016, the Company filed for a Scheme of Arrangement ("SOA") to seek to effect a restructuring of its debts and liabilities (further disclosed in Note 28(n) to the accompanying financial statements).

Management did not assess whether any provision for corporate guarantees should have been made by the Company as at 31 December 2015 in accordance with FRS 37 "Provisions, Contingent Liabilities and Contingent Assets". Had an assessment been made, a provision may have to be recognised. The effects of this matter on the accompanying financial statements had not been determined.

In addition, due to a lack of sufficient supporting documents and information maintained by the Company, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of liabilities recorded by the Company. We were also unable to satisfy ourselves through alternative means. Consequently, we were unable to determine whether any adjustment to the accompanying financial statements for the financial year ended 31 December 2015 may be necessary.

3. Subsequent events and going concern

The finance team of the Company has left in 2016. The Company did not have sufficient resources to engage external parties to prepare the Group's and Company's accounts. Accordingly, we were not provided with reliable financial information of the Group and Company beyond the financial year ended 31 December 2016, being the latest available.

This further imposed a limitation of scope on our audit as we were unable to obtain sufficient appropriate audit evidence in relation to subsequent events and going concern, as described below, nor were we able to satisfy ourselves through alternative means. Consequently, we were unable to determine if any further adjustments to or disclosures in the accompanying financial statements for the financial year ended 31 December 2015 may be necessary.

Subsequent events

Certain subsequent events have been disclosed in Note 28 to the accompanying financial statements. Due to the above scope limitation, we were unable to obtain sufficient appropriate audit evidence that all subsequent events that have occurred up to the date of our report that may require adjustment to, or disclosure in the accompanying financial statements have been identified.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Jason Holdings Limited

Report on the financial statements (Continued)

Basis for Disclaimer of Opinion (Continued)

3. Subsequent events and going concern (Continued)

Going concern

As disclosed in Note 4 to the accompanying financial statements, for the financial year ended 31 December 2015, the Group recorded a net loss of $13,841,355 and net current liabilities of $6,586,225. Included in the Group's current liabilities were bank borrowings amounting to $14,512,285 due for repayment within 12 months after the financial year end. For the financial year ended 31 December 2016, the Group incurred a net loss for the year of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 2, the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). WC's business had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. As disclosed in Note 4 to the accompanying financial statements, the financial statements of the Group and the Company have been prepared on the going concern basis taking into account that a controlling shareholder, who is also the Non-Executive Director and Chairman of the Company, has undertaken to provide continuing financial support to the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

Due to the above scope limitation, we were unable to assess the latest financial position of the Group nor the future cash flow requirements of the Group in the absence of a cash flow forecast. We were therefore unable to assess the extent of financial support that may be required from the Non-Executive Director and Chairman of the Company and a director of WC as well as their abilities to provide the support if needed.

Accordingly, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the accompanying financial statements.

4. Impairment of plant and equipment of WC

As at 31 December 2015, included in the Group's property, plant and equipment were plant and equipment of WC amounting to $233,516 for which there were indicators of impairment. WC's management had not performed an impairment assessment of those plant and equipment in accordance to FRS 36 "Impairment of Assets". Had the recoverable amounts of those plant and equipment been determined, impairment losses may have to be recognised and adjustments to their carrying amounts may be required. The effects of this matter on the accompanying financial statements had not been determined.

INDEPENDENT AUDITOR'S REPORT

To The Members Of Jason Holdings Limited

Report on the financial statements (Continued)

Basis for Disclaimer of Opinion (Continued)

5. CAD Investigation against a director of the Company and JPS

   As disclosed in Note 28(c) to the accompanying financial statements, on 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against a director of the Company and JPS on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). At the date of this report, the investigations are not yet completed. Accordingly, we are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion paragraphs of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have not been properly kept in accordance with the provisions of the Act.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
16 April 2018

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2015

	Note	Group			Company	
		31.12.2015 $	31.12.2014 $ (Restated)	1.1.2014 $ (Restated)	31.12.2015 $	31.12.2014 $
Non-current assets						
Property, plant and equipment	5	9,050,130	2,355,754	2,575,031	-	-
Intangible asset	6	2,761	55,777	144,499	-	-
Investment in subsidiaries	7	-	-	-	-	5,587,914
Total non-current assets		9,052,891	2,411,531	2,719,530	-	5,587,914
Current assets						
Inventories	8	8,375,974	10,295,463	10,418,493	-	-
Trade and other receivables	9	11,814,004	26,477,678	24,250,694	301,208	2,779,763
Prepayments		61,871	201,790	43,570	20,769	121,220
Tax recoverable		-	-	170,056	-	-
Cash and bank balances	10	405,337	255,361	7,231,885	4,618	10,553
Total current assets		20,657,186	37,230,292	42,114,698	326,595	2,911,536
Less:						
Current liabilities						
Trade and other payables	11	11,033,491	6,464,158	7,953,884	973,101	190,595
Amount due to a corporate shareholder	12	1,312,967	1,312,967	1,312,967	-	-
Amount due to a Director of the Company	13	309,292	1,671,882	1,071,882	-	-
Borrowings	14	14,512,285	14,533,009	18,545,091	-	-
Current income tax payable		75,376	-	-	-	-
Total current liabilities		27,243,411	23,982,016	28,883,824	973,101	190,595
Net current (liabilities)/assets		(6,586,225)	13,248,276	13,230,874	(646,506)	2,720,941
Non-current liabilities						
Borrowings	14	11,729	6,138,506	6,644,049	-	-
Deferred tax liability	15	14,968	14,968	14,968	-	-
Total non-current liabilities		26,697	6,153,474	6,659,017	-	-
Net (liabilities)/assets		2,439,969	9,506,333	9,291,387	(646,506)	8,308,855
Equity						
Share capital	16	9,144,696	9,144,696	9,144,696	9,144,696	9,144,696
Revaluation reserve		6,774,991	-	-	-	-
(Accumulated losses)/retained earnings		(13,446,258)	329,954	117,299	(9,791,202)	(835,841)
Equity attributable to owners of the Parent		2,473,429	9,474,650	9,261,995	(646,506)	8,308,855
Non-controlling interest		(33,460)	31,683	29,392	-	-
Total equity		2,439,969	9,506,333	9,291,387	(646,506)	8,308,855

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2015

	Note	2015 $	2014 $ (Restated)
Revenue	17	23,240,865	39,990,352
Cost of sales		(24,255,439)	(32,434,776)
Gross (loss)/ profit		(1,014,574)	7,555,576
Other items of income			
Interest income		2,171	6,845
Other income	18	536,431	392,644
Other items of expense			
Selling and distribution expenses		(132,747)	(73,938)
Administrative expenses		(5,188,068)	(5,015,234)
Other expenses		(7,295,558)	(2,141,320)
Finance costs	19	(700,708)	(517,829)
(Loss)/profit before income tax	20	(13,793,053)	206,744
Income tax (expense)/credit	21	(48,302)	8,202
(Loss)/profit for the financial year		(13,841,355)	214,946
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss			
Gain on revaluation of property		6,774,991	-
Other comprehensive income for the financial year, net of tax		6,774,991	-
Total comprehensive income for the financial year		(7,066,364)	214,946
(Loss)/Profit attributable to:			
Owners of the parent		(13,776,212)	212,655
Non-controlling interest		(65,143)	2,291
		(13,841,355)	214,946
Total comprehensive income attributable to:			
Owners of the parent		(7,001,221)	212,655
Non-controlling interest		(65,143)	2,291
		(7,066,364)	214,946
(Loss)/earnings per share			
Basic and diluted (cents)	22	(6.38)	0.10

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

	Share capital $	(Accumulated losses)/ retained earnings $	Revaluation reserve $	Equity attributable to owners of Parent $	Non-controlling interest $	Total equity $
Group						
Balance at 1 January 2015	9,144,696	329,954	-	9,474,650	31,683	9,506,333
Loss for the financial year	-	(13,776,212)	-	(13,776,212)	(65,143)	(13,841,355)
Gain on revaluation of property	-	-	6,774,991	6,774,991	-	6,774,991
Total comprehensive income for the financial year	-	(13,776,212)	6,774,991	(7,001,221)	(65,143)	(7,066,364)
Balance at 31 December 2015	9,144,696	(13,446,258)	6,774,991	2,473,429	(33,460)	2,439,969
Balance at 1 January 2014, as previously reported	9,144,696	5,161,749	-	14,306,445	29,392	14,335,837
Prior year adjustment (Note 27)	-	(5,044,450)	-	(5,044,450)	-	(5,044,450)
Balance at 1 January 2014, as restated	9,144,696	117,299	-	9,261,995	29,392	9,291,387
Profit for the financial year	-	212,655	-	212,655	2,291	214,946
Total comprehensive income for the financial year	-	212,655	-	212,655	2,291	214,946
Balance at 31 December 2014	9,144,696	329,954	-	9,474,650	31,683	9,506,333

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2015

	Note	2015 $	2014 $ (Restated)
Operating activities			
(Loss)/profit before income tax		(13,793,053)	206,744
Adjustments for:			
Amortisation of intangible asset	6	54,136	91,272
Allowance for/(write back of) doubtful trade and other receivables, net	9	480,278	(15,013)
Trade receivables written off – third parties		182,224	-
Advance to suppliers written off		2,894,017	-
Depreciation of property, plant and equipment	5	287,058	300,241
Gain on disposal of property, plant and equipment		(1,039)	(21,559)
Interest expense	19	700,708	517,829
Interest income		(2,171)	(6,845)
Inventories written off		2,920,790	116,209
Unrealised exchange difference		(138,181)	77,981
Operating cash flows before working capital changes		(6,415,233)	1,266,859
Working capital changes:			
Inventories		(1,001,301)	6,821
Trade and other receivables		11,164,804	(2,166,194)
Prepayments		139,919	(158,220)
Trade and other payables		4,649,868	(1,490,296)
Amount due to a Director of the Company		(494,590)	-
Cash generated/(absorbed) by operations		8,043,467	(2,541,030)
Interest received		2,171	6,845
Interest paid		(18,227)	(2,025)
Income tax refund		27,073	201,249
Income taxes paid		-	(22,991)
Net cash from/(used in) operating activities		8,054,484	(2,357,952)
Investing activities			
Purchase of property, plant and equipment	5	(145,654)	(103,763)
Purchase of intangible asset	6	(1,120)	(2,550)
Proceeds from disposal of property, plant and equipment		22,750	80,319
Net cash used in investing activities		(124,024)	(25,994)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For The Financial Year Ended 31 December 2015

	Note	2015 $	2014 $ (Restated)
Financing activities			
Repayment to a Director of the Company		(1,508,000)	-
Advance from a Director of the Company		640,000	600,000
Repayment of finance lease obligations		(72,622)	(164,711)
Proceeds from borrowings		29,876,973	49,914,017
Repayment of borrowings		(35,994,940)	(54,767,858)
Interest paid		(682,481)	(515,804)
Net cash used in financing activities		(7,741,070)	(4,934,356)
Net change in cash and cash equivalents		189,390	(7,318,302)
Cash and cash equivalents at beginning of financial year		(86,417)	7,231,885
Cash and cash equivalents at end of financial year	10	102,973	(86,417)

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2015

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

1. General

Jason Holdings Limited (the "Company") (Registration number 201119167Z) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 16 Tampines Street 92, JP Building, Singapore 528873. With effect on 5 August 2016, the Company changed its principal place of business and registered office to 11 Tampines Street 92 #03-05 Tampines Bizhub, Singapore 528872.

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

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

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors on 16 April 2018.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies and Note 2.2 below.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective

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

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	: Disclosure Initiative	1 January 2016
FRS 7 (Amendments)	: Disclosure Initiative	1 January 2017
FRS 12 (Amendments)	: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16 and FRS 38 (Amendments)	: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16 and FRS 41 (Amendments)	: Agriculture: Bearer Plants	1 January 2016
FRS 27 (Amendments)	: Equity Method in Separate Financial Statements	1 January 2016
FRS 40 (Amendments)	: Transfer of Investment Property	1 January 2018
FRS 102 (Amendments)	: *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
FRS 104 (Amendments)	: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 109	: Financial Instruments	1 January 2018
FRS 110 and FRS 28	: Amendments to FRS 110 and FRS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 110, FRS 112 and FRS 28	: Amendments to FRS 110, FRS 112 and FRS 28 – Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 111	: Amendments to FRS 111 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 114	: Regulatory Deferral Accounts	1 January 2016
FRS 115	: Revenue from Contracts with Customers	1 January 2018
FRS 115 (Amendments)	: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	: Leases	1 January 2019
Various	: Improvements to FRSs (November 2014)	1 January 2016
Various	: Improvements to FRSs (December 2016)	1 January 2018/9
Various	: Improvements to FRSs (March 2018)	1 January 2019
INT FRS 122	: Foreign Currency Transactions and Advance Considerations	1 January 2018
INT FRS 123	: Uncertainty over Income Tax Treatments	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

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

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

FRS 7 (Amendments) *Disclosure Initiative*

The amendments require additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group and the Company will adopt these amendments in the financial year beginning on 1 January 2017 and will include the additional disclosures in its financial statements for that financial year.

FRS 109 *Financial Instruments*

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

Classification and measurement

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group and the Company can elect to recognise the gains and losses in other comprehensive income. Debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group and the Company are holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through other comprehensive income.

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

The Group and Company have not performed an assessment of the classification and measurement of its financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

FRS 109 *Financial Instruments* (Continued)

Impairment

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

The new impairment requirements are expected to result in changes to and likely increases in impairment loss allowances on trade receivables and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. The Group is still in the process of determining how it will estimate expected credit losses and the sources of forward-looking data.

Transition

The Group and the Company plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year.

FRS 109 also requires additional financial statements disclosures which the Group will include in its financial statements in the financial year when FRS 109 is adopted.

FRS 115 *Revenue from Contracts with Customers*

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

The Group and the Company have not assessed the potential impact on accounting for contract modifications.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

The Group have not yet made a detailed assessment of the impact of this standard.

Adoption of IFRS-identical financial reporting standards

Singapore-incorporated companies listed on SGX-ST are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") in 2018. The Group will adopt the new framework on 1 January 2018 and will apply the equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards* to the transition. This will involve restating the comparatives for the financial year ended 31 December 2017 and the opening statements of financial position as at 1 January 2017 in accordance with the new framework. The Group is in the process of assessing the impact of transition, including the impact from the adoption of IFRS 9 and 15 which is expected to be similar to the impact of FRS 109 and 115 disclosed above, as well as other transitional adjustments that may be required or elected under IFRS 1.

2.2 Basis of consolidation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

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

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

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

Business combinations from 1 January 2010

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Business combinations from 1 January 2010 (Continued)

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

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

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

Acquisition under common control

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

2.3 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

During the financial year ended 31 December 2015, the Group has changed the accounting policy for leasehold land and building from the cost model to the revaluation model. Leasehold land and building is measured at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.3 Property, plant and equipment (Continued)

Any revaluation increase arising from the revaluation of such leasehold land and building is recognised in other comprehensive income and credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.4 Intangible assets

Computer software license

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

Computer software license is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

2.5 Impairment of non-financial assets excluding goodwill

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.7 Financial assets

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

Loans and receivables

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

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

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

Initial and subsequent measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.7 Financial assets (Continued)

Impairment

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

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

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

2.8 Cash and cash equivalents

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

2.9 Financial liabilities

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

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

(i) Trade and other payables

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.9 Financial liabilities (Continued)

(ii) Borrowings

Borrowings are initially recognised at the fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Recognition and derecognition

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

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

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

2.10 Equity instruments

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

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

2.11 Revenue recognition

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.11 Revenue recognition (Continued)

Sale of goods

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

Installation services

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

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

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

Dry lay and other services

Revenue from dry lay and other services which are short term in nature refer to services provided for laying out of tiles on a dry surface based on customers' requirement and other miscellaneous services. Dry lay and other services are recognised upon services rendered and approved by customers.

Rental Income

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

Interest income

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

2.12 Grants

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

2.13 Employee benefits

Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.13 Employee benefits (Continued)

Employee leave entitlement

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

2.14 Leases

Finance leases

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

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

Operating leases

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

2.15 Borrowing costs

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

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

2.16 Income tax

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.16 Income tax (Continued)

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.16 Income tax (Continued)

Sales tax

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

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

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

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

2.17 Foreign currency transactions

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

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

2.18 Dividends

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

2.19 Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

2. Summary of significant accounting policies (Continued)

2.20 Contingencies

A contingent liability is:

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

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

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

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

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

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

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

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

(i) Impairment of investment in subsidiaries

The Group and the Company follow the guidance of FRS 36 in determining whether investments in subsidiaries are impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the recoverable amount of the investment is less than its carrying amount and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

3.2 Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 30 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2015 was $9,050,130 (2014: $2,355,754). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Allowance for inventories obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "weighted average" method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 December 2015 was $8,375,974 (2014: $10,295,463).

(iii) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of the customers were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2015 were $11,814,004 (2014: $26,477,678) and $301,208 (2014: $2,779,763) respectively.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Fair value measurement

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

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

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

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

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

4. Going concern

For the financial year ended 31 December 2015, the Group recorded a net loss of $13,841,355, net current liabilities of $6,586,225, net cash outflows from investing activities of $124,024 and net cash outflows from financing activities of $7,741,070 and has cash and cash equivalents of $102,973. Included in the Group's current liabilities are bank borrowings amounting to $14,512,285 due for repayment within 12 months after the financial year end. For the financial year ended 31 December 2016, the Group incurred a net loss for the year of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 28(n), the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the winding up and loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). The business of WC had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. The financial statements of the Group and the Company have been prepared on the going concern basis taking into account that the Company has completed its Scheme of Arrangement on 17 October 2017 where it has settled in full all debts owed by the Company to its existing creditors as at 30 December 2016 as disclosed in Note 28(n) and a continuing financial support provided by Mr Lim Chwee Kim, a controlling shareholder and Director of the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2015

5. Property, plant and equipment

	At fair value	<---------- At cost ---------->						
	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	$	$	$	$	$	$	$	$
Group								
Cost								
Balance at 1 January 2015	3,274,421	127,877	962,312	143,968	201,013	851,917	102,026	5,663,534
Additions	-	111,300	86,969	-	5,460	7,000	17,425	228,154
Disposal	-	-	(60,325)	(9,999)	-	(7,000)	-	(77,324)
Revaluation	5,325,579	-	-	-	-	-	-	5,325,579
Balance at 31 December 2015	8,600,000	239,177	988,956	133,969	206,473	851,917	119,451	11,139,943
Accumulated depreciation								
Balance at 1 January 2015	1,340,263	97,792	759,303	76,795	159,269	836,731	37,627	3,307,780
Depreciation charge for the year	109,149	22,817	72,515	25,417	19,785	9,897	27,478	287,058
Disposal	-	-	(50,336)	(5,277)	-	-	-	(55,613)
Revaluation	(1,449,412)	-	-	-	-	-	-	(1,449,412)
Balance at 31 December 2015	-	120,609	781,482	96,935	179,054	846,628	65,105	2,089,813
Net carrying amount								
Balance at 31 December 2015	8,600,000	118,568	207,474	37,034	27,419	5,289	54,346	9,050,130

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

5. Property, plant and equipment (Continued)

	<---------- At cost ---------->							
	Leasehold land and building	**Furniture and fittings**	**Motor vehicles**	**Office equipment**	**Computers**	**Tools and equipment**	**Renovation**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Group								
Cost								
Balance at 1 January 2014	3,260,243	103,800	1,154,612	66,354	191,303	840,857	98,941	5,716,110
Additions	14,178	24,077	-	77,614	9,710	11,060	3,085	139,724
Disposal	-	-	(192,300)	-	-	-	-	(192,300)
Balance at 31 December 2014	3,274,421	127,877	962,312	143,968	201,013	851,917	102,026	5,663,534
Accumulated depreciation								
Balance at 1 January 2014	1,231,300	91,605	794,961	56,788	135,868	817,390	13,167	3,141,079
Depreciation charge for the year	108,963	6,187	97,882	20,007	23,401	19,341	24,460	300,241
Disposal	-	-	(133,540)	-	-	-	-	(133,540)
Balance at 31 December 2014	1,340,263	97,792	759,303	76,795	159,269	836,731	37,627	3,307,780
Net carrying amount								
Balance at 31 December 2014	1,934,158	30,085	203,009	67,173	41,744	15,186	64,399	2,355,754

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

5. Property, plant and equipment (Continued)

As at 31 December 2015, the Group has motor vehicles under finance lease obligations with net carrying amounts of $207,474 (2014: $203,009). Finance leased assets are pledged as security for the related finance lease payables (Note 14).

As at 31 December 2015, the Group's leasehold land and building with net carrying amount of $8,600,000 (2014: $1,934,158) is charged by way of legal mortgage for banking facilities granted to the Group (Note 14).

Leasehold land and building of the Group were valued as at 13 January 2016 by DTZ Debenham Tie Leung (SEA) Pte Ltd, an independent professional valuation firm using the sales comparison approach. Sale prices of comparable land and buildings in similar locations are adjusted for differences in key attributes such as land and property size. The valuation is based on the assets' highest and best use, which is in line with their actual use. The resulting fair values of land and buildings are considered level 3 recurring fair value measurements.

The following table presents the valuation technique and key inputs that were used to determine the fair value of the leasehold land and building categorised under level 3 of the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Sensitivity
Leasehold land and building	Sales comparison approach	Yield adjustment*	The higher the yield adjustments, the higher the fair value

* The yield adjustments are made for differences in the nature, location, age, condition, tenure, design and layout, dates of transaction and the prevailing economic conditions affecting the property market of the specific property.

If the revalued leasehold properties of the Group had been included in the financial statements at historical cost less accumulated depreciation and impairment loss, if any, the carrying amount as at 31 December 2015 would have been approximately $1,825,009.

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

	Group	
	2015	2014
	$	$
Additions of property, plant and equipment	228,154	139,724
Acquired under finance lease agreements	(82,500)	(35,961)
Cash payments to acquire property, plant and equipment	145,654	103,763

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

6. Intangible asset

	Group	
	2015	2014
	$	$
Computer software		
Non-current		
Cost		
Balance at beginning of financial year	338,021	335,471
Additions	1,120	2,550
Balance at end of financial year	339,141	338,021
Accumulated amortisation		
Balance at beginning of financial year	282,244	190,972
Amortisation charge for the year	54,136	91,272
Balance at end of financial year	336,380	282,244
Net carrying amount		
Balance at end of financial year	2,761	55,777

7. Investment in subsidiaries

	Company	
	2015	2014
	$	$
Unquoted equity shares, at cost	5,587,914	5,587,914
Allowance for impairment loss	(5,587,914)	-
	-	5,587,914

Movements in the allowance for impairment loss are as follows:

	Company	
	2015	2014
	$	$
At 1 January	-	-
Impairment loss recognised in the year	(5,587,914)	-
At 31 December	(5,587,914)	-

During the financial year, the Group carried out a review of the recoverable amount of the investment in White Cubic Pte Ltd and Jason Parquet Specialist (Singapore) Pte Ltd due to the losses reported by the subsidiaries and Jason Parquet Specialist (Singapore) Pte Ltd was subsequently wound up by a court order issued on 10 June 2016. The review led to the recognition of an impairment loss of $5,587,914 in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

7. Investment in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest	
		2015 %	2014 %	2015 %	2014 %
Jason Parquet Specialist (Singapore) Pte Ltd[(1)(2)] (Singapore)	Business of renovation contractors and distribution in timber flooring products	100	100	-	-
White Cubic Pte Ltd[(1)] (Singapore)	Business of renovation contractors and provider of marble and granite flooring products	60	60	40	40

[(1)] Audited by BDO LLP, Singapore
[(2)] See also Note 28(j)

Non-controlling interest

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

Summarised statement of comprehensive income for the financial year ended 31 December:

	2015 S$	2014 S$
Revenue	3,860,936	3,528,776
(Loss)/profit before income tax	(162,857)	5,729
(Loss)/profit after income tax for the year, representing total comprehensive income	(162,857)	5,729
(Loss)/profit after income tax for the year, representing total comprehensive income attributable to NCI	(65,143)	2,291

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

7. Investment in subsidiaries (Continued)

Non-controlling interest (Continued)

Summarised statement of financial position as at 31 December:

	2015 S$	2014 S$
Assets:		
Non-current assets	233,516	176,842
Current assets	1,241,676	896,455
Total assets	1,475,192	1,073,297
Liabilities:		
Non-current liabilities	11,729	17,560
Current liabilities	1,547,112	976,529
Total liabilities	1,558,841	994,089
Net (liabilities)/assets	(83,649)	79,208
Attributable to:		
Equity holders of parent	(50,189)	47,525
Accumulated non-controlling interest	(33,460)	31,683

Summarised statement of cash flows for the financial year ended 31 December:

	2015 S$	2014 S$
Cash inflows/(outflows) from operating activities	216,616	(43,469)
Cash outflows from investing activities	(128,725)	(19,404)
Cash outflows from financing activities	(17,456)	(26,879)
Net cash inflows/(outflows)	70,435	(89,752)

8. Inventories

	Group		
	31.12.2015 $	31.12.2014 $ (restated)	1.1.2014 $ (restated)
Accessories	1,081,140	826,105	777,293
Timber materials	7,008,924	9,321,219	9,355,707
Marble materials	285,910	148,139	285,493
	8,375,974	10,295,463	10,418,493

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2015

8. Inventories (Continued)

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of write down of inventories of $2,920,790 (2014: $116,209) as expenses which was included in "Cost of sales" line item in the Group's profit or loss.

9. Trade and other receivables

	Group			Company	
	31.12.2015	**31.12.2014**	**1.1.2014**	**31.12.2015**	**31.12.2014**
	$	**$**	**$**	**$**	**$**
		(restated)	**(restated)**		
Trade receivables (third parties)					
- Receivables	5,409,328	5,885,743	4,479,879	-	-
- Accrued income	3,344,247	10,885,750	12,089,213	-	-
- Retention sum	3,404,714	5,381,554	5,142,613	-	-
Allowance for doubtful trade receivables	(1,336,564)	(1,165,915)	(1,495,972)	-	-
	10,821,725	20,987,132	20,215,733	-	-
Other receivables - third parties	241,514	10,165	645	241,091	-
Advance to suppliers	436,475	5,488,606	3,723,617	-	-
Deposits	261,641	262,794	232,771	-	-
Staff loans	52,649	44,025	77,928	-	-
Amount due from subsidiaries	-	-	-	3,026,256	2,779,763
Allowance for doubtful other receivables	-	(315,044)	-	(2,966,139)	-
Total trade and other receivables	11,814,004	26,477,678	24,250,694	301,208	2,779,763
Add: Cash and bank balances (Note 10)	405,337	255,361	7,231,885	4,618	10,553
Total loans and receivables	12,219,341	26,733,039	31,482,579	305,826	2,790,316

Trade receivables are unsecured, non-interest bearing and generally on 30 to 120 (2014: 30 to 120) days' credit terms.

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

9. Trade and other receivables (Continued)

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

	Group	
	2015	**2014**
	$	**$**
Balance at beginning of financial year	1,165,915	1,495,972
Allowance made during the financial year	480,278	-
Allowance written off	(309,629)	-
Write back of allowance	-	(330,057)
Balance at end of financial year	1,336,564	1,165,915

Trade receivables which are individually determined to be impaired relates to trade receivables that are in significant financial difficulties and have defaulted on payments. As at reporting date, allowance for doubtful debts relates to trade receivables, accrued income and retention sum individually impaired amounting to $746,959 (2014: $622,923), $460,671 (2014: $542,992), and $128,934 (2014: $Nil) respectively.

Movements in allowance for doubtful other receivables:

	Group	
	2015	**2014**
	$	**$**
Other receivables		
Balance at beginning of financial year	315,044	-
Allowance written off	(315,044)	-
Allowance made during the financial year	-	315,044
Balance at end of financial year	-	315,044

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Singapore dollar	10,703,682	25,108,334	361,324	2,779,763
United States dollar	1,110,322	1,357,631	-	-
Malaysian ringgit	-	11,714	-	-
	11,814,004	26,477,679	361,324	2,779,763

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

10. Cash and bank balances

Cash and bank balances are denominated in the followings currencies:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Singapore dollar	378,263	239,805	4,618	10,553
United States dollar	20,863	13,762	-	-
Malaysian ringgit	4,556	71	-	-
Euro dollar	1,655	1,723	-	-
	405,337	255,361	4,618	10,553

	Group	
	2015	2014
	$	$
Cash and bank balances	405,337	255,361
Bank overdraft (Note 14)	(302,364)	(341,778)
Cash and cash equivalents as per consolidated statement of cash flows	102,973	(86,417)

11. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Trade payables - third parties	5,450,225	5,044,160	-	-
Deposits from customers	1,430,771	3,500	-	-
Accrued operating expenses	2,628,268	810,528	-	-
Other payables - third parties	1,524,227	605,970	973,101	190,595
Total trade and other payable	11,033,491	6,464,158	973,101	190,595
Add: Amount due to a corporate shareholder (Note 12)	1,312,967	1,312,967	-	-
Amount due to a Director of the Company (Note 13)	309,292	1,671,882	-	-
Borrowings (Note 14)	14,524,014	20,671,515	-	-
Total financial liabilities carried at amortised cost	27,179,764	30,120,522	973,101	190,595

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 (2014: 30 to 90) days' credit terms.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

11. Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Singapore dollar	10,687,829	6,317,638	973,101	190,595
United States dollar	33,406	14,606	-	-
Malaysian ringgit	217,116	131,914	-	-
Euro dollar	95,140	-	-	-
	11,033,491	6,464,158	973,101	190,595

12. Amount due to a corporate shareholder

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

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

13. Amount due to a Director of the Company

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

14. Borrowings

	Group	
	2015	**2014**
	$	**$**
Current liabilities		
Secured		
Finance lease liabilities	222,268	72,642
Property loan	6,040,303	407,119
	6,262,571	479,761
Unsecured		
Bank overdraft	302,364	341,778
Trust receipts	5,029,451	8,478,486
Trade receivable financing	2,917,899	5,232,984
	8,249,714	14,053,248
Total current liabilities	14,512,285	14,533,009
Non-current liabilities		
Secured		
Finance lease liabilities	11,729	151,477
Property loan	-	5,987,029
Total non-current liabilities	11,729	6,138,506
Total borrowings	14,524,014	20,671,515

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

	Group	
	2015	**2014**
	%	**%**
Finance lease liabilities	3.53 – 7.58	2.99 – 7.58
Trust receipts	2.83 – 4.65	2.05 - 3.06
Trade receivable financing	3.16 – 7.76	2.05 - 3.06
Property loan	1.75 – 2.25	1.75
Bank overdraft	6.00	6.00

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

14. Borrowings (Continued)

(ii) Finance lease liabilities

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

	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	$	$	$
Group			
2015			
Current liabilities			
Within one financial year	247,979	(25,711)	222,268
Non-current liabilities			
After one financial year but within five financial years	12,578	(849)	11,729
	260,557	(26,560)	233,997
2014			
Current liabilities			
Within one financial year	80,653	(8,011)	72,642
Non-current liabilities			
After one financial year but within five financial years	160,778	(9,301)	151,477
	241,431	(17,312)	224,119

Finance lease liabilities are due to financial institutions.

The finance lease term ranges from 1 to 3 (2014: 1 to 5) years. The interest rates for finance lease liabilities are fixed at the contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

Trust receipts, trade receivable financing and bank overdraft are supported by corporate guarantee by the Company or personal guarantee given by two Directors of the Company.

Property loan is secured by the legal mortgage of the Group's leasehold land and building. It is supported by corporate guarantee given by the Company as at 31 December 2015 and 2014.

The fair values of non-current interest-bearing liabilities as at 31 December 2015 and 2014 approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

14. Borrowings (Continued)

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

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

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

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
United States dollar	-	1,993,455	-	-
Singapore dollar	14,524,014	18,678,060	-	-
	14,524,014	20,671,515	-	-

15. Deferred tax liability

	Group	
	2015	2014
	$	$
Balance at end of financial year	14,968	14,968

The deferred tax liability is attributable to the temporary differences arising from accelerated tax depreciation computed at the statutory income tax rate of 17% (2014: 17%).

16. Share capital

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

	Group		Company	
	2015	2014	2015	2014
	Number of ordinary shares		$	$
Issued and fully-paid up:				
At beginning of financial year	216,000,000	108,000,000	9,144,696	9,144,696
Share split exercise of every 1 ordinary share into 2 ordinary shares	-	108,000,000	-	-
At end of financial year	216,000,000	216,000,000	9,144,696	9,144,696

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2015

17. Revenue

	Group	
	2015	2014
	$	$
		(restated)
Installation services	14,763,858	27,343,613
Sales of goods	7,422,554	12,331,298
Dry lay and other services	1,054,453	315,441
	23,240,865	39,990,352

18. Other income

	Group	
	2015	2014
	$	$
Foreign exchange gain, net	85,554	-
Productivity and innovation credit bonus	-	15,000
Gain on disposal of property, plant and equipment	1,039	21,559
Rental income	8,250	41,000
Government grants	223,398	170,210
Miscellaneous	218,190	144,875
	536,431	392,644

19. Finance costs

	Group	
	2015	2014
	$	$
Interest expenses:		
- finance lease liabilities	8,638	13,255
- trust receipts	332,401	230,201
- trade receivable financing	213,084	161,324
- term loans and property loan	128,359	111,024
- bank overdraft	18,226	2,025
	700,708	517,829

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

20. (Loss)/profit before income tax

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

	Group	
	2015	**2014**
	$	**$**
		(Restated)
Cost of sales		
Cost of inventories recognised as expenses	16,508,469	23,678,135
Inventories written off	2,920,790	116,209
Employee benefit expenses	2,547,203	2,486,200
Selling and Distribution expenses		
Advertising and promotions	68,277	56,048
Sales and marketing	28,078	-
Commission	36,392	17,454
Administrative expenses		
Operating lease expense	366,902	308,188
Employee benefit expenses	4,512,127	4,480,459
Other expenses		
Net allowance for/(write-back of) doubtful trade and other receivables	480,278	(15,013)
Audit fees		
- Auditors of the Company	143,499	83,400
Amortisation of intangible asset	54,136	91,272
Depreciation of property, plant and equipment	287,058	300,241
Donations	22,200	116,856
Entertainment and refreshment	74,799	92,328
Foreign exchange loss:		
- realised	-	27,402
- unrealised	-	77,981
Insurance	151,121	124,455
Late payment charge and penalty	1,651,565	-
Legal and professional fees	669,271	365,888
Trade receivables written off – third parties	182,224	-
Advance to suppliers written off	2,894,017	-
Telephone charges and network services	41,358	64,166
Upkeep of motor vehicles	229,503	276,739
Utilities	48,568	59,097

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

20. (Loss)/profit before income tax (Continued)

(Loss)/profit before income tax also includes:

	Group	
	2015	**2014**
	$	**$**
Employee benefits expenses*		
- salaries, bonus and other benefits	6,763,507	6,699,512
- contributions to defined contribution plans	295,823	267,147
	7,059,330	6,966,659

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

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

	Group	
	2015	**2014**
	$	**$**
Cost of sales	2,547,203	2,486,200
Administrative expenses	4,512,127	4,480,459
	7,059,330	6,966,659

21. Income tax expense/(credit)

	Group	
	2015	**2014**
	$	**$**
Current income tax		
- current financial year	-	-
- under/(over) provision in prior years	48,302	(8,202)
	48,302	(8,202)

Domestic income tax is calculated at 17% (2014: 17%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax as a result of the following differences:

	Group	
	2015	**2014**
	$	**$**
		(Restated)
(Loss)/profit before income tax	(13,793,053)	206,744
Income tax at statutory income tax rate of 17%	(2,344,819)	35,146
Expenses not deductible for income tax purposes	386,746	75,410
Enhanced tax deduction for approved equipment	(2,665)	(3,234)
Income not subject to tax	(177)	(20,443)
Income tax exemption	4,921	(1,981)
Under/(over) provision of income tax in prior years	48,302	(8,202)
Deferred tax asset on unutilised tax losses not recognised	1,951,924	-
Utilisation of previously unrecognised deferred tax benefits	-	(84,221)
Others	4,070	(677)
	48,302	(8,202)

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of $12,053,000 (2014: $570,000) and unabsorbed allowances and donations of $326,000 (2014: $326,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of profit streams. These losses may be carried indefinitely subject to the conditions imposed by law.

22. (Loss)/earnings per share

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

	Group	
	2015	**2014**
	$	**$**
Earnings		
(Loss)/profit attributable to owners of the Parent	(13,776,212)	212,655

	Group	
	2015	**2014**
Number of shares		
Number of ordinary shares in issue applicable to basic and diluted earnings per share	216,000,000	216,000,000
Basic and diluted (loss)/earnings per share (in cents)	(6.38)	0.10

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

22. (Loss)/earnings per share (Continued)

The calculations for basic (loss)/earnings per share for the relevant periods are based on the (loss)/profit attributable to owners for the financial years ended 31 December 2015 and 2014 divided by the number of ordinary shares in issue in the relevant periods.

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

23. Significant related party transactions

A related party is defined as follows:

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

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  (iii) Both entities are joint venture of the same third party.
  (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  (vi) The entity is controlled or jointly controlled by a person identified in (a);
  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

	Company	
	2015	**2014**
	$	**$**
With related party		
Repayment to a Director	1,508,000	-
Advance from a Director	640,000	600,000
With subsidiaries		
Expense paid on behalf	1,266,893	1,097,445
Management fee income	1,050,000	1,050,000

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

23. Significant related party transactions (Continued)

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

	Group	
	2015	**2014**
	$	**$**
Amount indemnified under security bonds	-	870,000

Compensation of key management personnel

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Short-term benefits	817,872	686,042	684,478	590,042
Post-employment benefits	62,259	52,380	50,415	42,780
Directors' fees	95,000	91,111	95,000	91,111
	975,131	829,533	829,893	723,933

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Directors of the Company				
Short-term benefits	449,904	355,775	421,405	355,775
Post-employment benefits	18,850	13,100	18,850	13,100
Directors' fees	95,000	91,111	95,000	91,111
	563,754	459,986	535,255	459,986
Director of a subsidiary				
Short-term benefits	104,895	96,000	-	-
Post-employment benefits	11,844	9,600	-	-
	116,739	105,600	-	-
	680,493	565,586	535,255	459,986

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

24. Commitments

24.1 Operating lease commitments

The Group as the lessee

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

	2015 $	2014 $
Not later than one financial year	270,962	134,780
After one financial year but within five financial years	6,648	4,988
	277,610	139,768

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

24.2 Contingent liability, unsecured

As at the end of the financial year, the total amount of unsecured loans outstanding covered by the guarantees is $9,071,732 (2014: $13,364,330). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the subsidiary to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings.

The Company announced, *inter alia*, the following matters which are expected to have a material and adverse impact on the financial position, financial performance, business and operations of the Group:

(i) orders of Court executed by way of Writs of Seizure and Sale, as announced by the Company on 31 March 2016;

(ii) an application to wind up Jason Parquet Specialist (Singapore) Pte Ltd ("JPS"), as announced by the Company on 5 April 2016, 3 May 2016 and 20 May 2016;

(iii) potential legal proceedings, appointment of receivers over a mortgaged property, cancellation of banking facilities, and repayments pursuant to demand notices and/or claims from various banks, as announced by the Company on 8 April 2016, 9 May 2016, 10 May 2016 and 17 May 2016;

(iv) a charge by the Ministry of Manpower in relation to JPS's alleged failure to take adequate safety measures at a workplace, as announced by the Company on 27 April 2016;

(v) demand notices from counterparties on performance bonds executed in connection with various contracts entered into by JPS, as announced by the Company on 17 May 2016 and 26 May 2016; and

(vii) potential litigation and repayments pursuant to claims by various contractors and/or counterparties, as announced by the Company on 17 May 2016, 18 May 2016 and 21 May 2016.

Subsequent to the financial year end, in accordance to the Scheme of Arrangement (Note 28(n)), the liability arising from the above guarantee amounted to approximately $1,107,000.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

25. Segment information

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

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

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

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

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

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

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

Group	**Projects** **$**	**Distribution** **$**	**Unallocated** **$**	**Total** **$**
2015				
Revenue				
- External sales	15,818,311	7,422,554	-	23,240,865
Results				
Segment results	(2,139,445)	1,124,872	(5,262,479)	(6,277,052)
Interest income				2,171
Interest expense				(700,708)
Amortisation of intangible asset				(54,136)
Depreciation of property, plant and equipment				(287,058)
Other material non-cash items:				
- Advance to suppliers written off				(2,894,017)
- Allowance for doubtful trade receivables - third parties				(480,278)
- Inventories written off				(2,920,790)
- Trade receivables written off – third parties				(182,224)
- Gain on disposal of property, plant and equipment				1,039
Loss before income tax				(13,793,053)
Income tax expense				(48,302)
Loss for the financial year				(13,841,355)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

25. Segment information (Continued)

Group	Projects $	Distribution $	Unallocated $	Total $
2014 (restated)				
Revenue				
- External sales	27,659,054	12,331,298	-	39,990,352
Results				
Segment results	5,815,434	1,740,142	(6,482,907)	1,072,669
Interest income				6,845
Interest expense				(517,829)
Amortisation of intangible asset				(91,272)
Depreciation of property, plant and equipment				(300,241)
Other material non-cash items:				
- Net write-back of allowance for doubtful trade and other receivables - third parties				15,013
- Gain on disposal of property, plant and equipment				21,559
Profit before income tax				206,744
Income tax credit				8,202
Profit for the financial year				214,946

Major customer

Revenue from one major customer amounted to $5,078,935 and $8,400,136 for the financial years ended 31 December 2015 and 2014, respectively arising from the projects segment.

Geographic information

Revenues from external customers

	2015 $	2014 $ (restated)
Singapore	19,487,621	33,960,479
Myanmar	3,725,798	2,060,802
China	19,507	3,746,201
Malaysia	7,939	-
United States	-	222,870
Consolidated	23,240,865	39,990,352

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

26. Financial instruments, financial risks and capital management

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

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

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

26.1 Credit risk

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

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 5 (2014: 5) trade receivables from third parties amounting to $ 3,305,705 (2014: $4,097,320) which accounts for 31% (2014: 20%) of the total trade receivables as at the end of the financial year.

The Company has no significant concentration at credit risk except for amount due from subsidiaries as at 31 December 2015.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	2015	**2014**
	$	**$**
Corporate guarantees provided to banks for subsidiaries' banking facilities utilised as at the end of financial year	15,112,035	19,758,478

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.1 Credit risk (Continued)

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

	Group			
	2015		2014	
	Gross receivables	Impairment	Gross receivables	Impairment
	$	$	$	$
Current 1 to 30 days	2,320,483	-	4,058,726	-
Past due 31 to 60 days	283,052	-	575,467	-
Past due 61 to 90 days	94,836	-	89,423	-
Past due over 90 days	1,963,999	746,958	539,203	622,923

26.2 Foreign currency risk

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

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

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

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks. As at 31 December 2015 and 2014, there are no outstanding forward foreign currency contracts.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.2 Foreign currency risk (Continued)

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

	2015 $	2014 $
Group		
Monetary assets		
Euro dollar	1,655	1,723
United States dollar	1,131,185	1,371,393
Malaysian ringgit	4,556	11,785
Monetary liabilities		
Euro dollar	95,140	
Malaysian ringgit	217,116	131,914
United States dollar	33,406	2,008,061

Foreign currency sensitivity analysis

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

The following table details the Group's sensitivity to a 4% (2014: 2%) change in United States dollar against Singapore dollar. The sensitivity analysis assumes an instantaneous 4% (2014: 2%) change in the foreign currency exchange rates from the end of the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary item, which is denominated in United States dollar is included in the analysis.

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

	Group	
	2015 $	2014 $
United States dollar		
Strengthen against Singapore dollar	43,911	(12,733)
Weaken against Singapore dollar	(43,911)	12,733

Sensitivity analysis is not shown for Euro dollar and Malaysian ringgit as the amounts are insignificant.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.3 Interest rate risk

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

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

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

Interest rate sensitivity analysis

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

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

	Group	
	2015	**2014**
	$	**$**
Interest bearing liabilities	59,304	84,857

26.4 Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.4 Liquidity risk (Continued)

Contractual maturity analysis

	Within one financial year $	After one financial year but within five financial years $	Later than five financial years $	Total $
Group				
2015				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	11,033,491	-	-	11,033,491
- Amount due to a corporate shareholder	1,312,967	-	-	1,312,967
- Amount due to a Director of the Company	309,292	-	-	309,292
Interest-bearing liabilities				
Finance lease payables	247,979	12,578	-	260,557
Borrowings	15,002,895	-	-	15,002,895
	27,906,624	12,578	-	27,919,202
2014				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	6,464,158	-	-	6,464,158
- Amount due to a corporate shareholder	1,312,967	-	-	1,312,967
- Amount due to a Director of the Company	1,671,882	-	-	1,671,882
Interest-bearing liabilities				
- Finance lease payables	80,653	160,778	-	241,431
- Borrowings	14,846,584	1,568,566	4,622,023	21,037,173
	24,376,244	1,729,344	4,622,023	30,727,611

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.4 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year $	After one financial year but within five financial years $	Later than five financial years $	Total $
Company				
2015				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	977,034	-	-	977,034
Corporate guarantee	15,112,035	-	-	15,112,035
2014				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	190,595	-	-	190,595
Corporate guarantee	19,758,478	-	-	19,758,478

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

The repayment term of the interest-bearing liabilities are disclosed in Note 14 to these financial statements.

26.5 Capital management policies and objectives

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

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayments and interests) based on operating cash flows. The Group's overall strategy remains unchanged since financial year 2014.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

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

26.5 Capital management policies and objectives (Continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Trade and other payables	11,033,491	6,464,158	977,034	190,595
Amount due to a corporate shareholder	1,312,967	1,312,967	-	-
Amount due to a Director of the Company	309,292	1,671,882	-	-
Borrowings	14,524,014	20,671,515	-	-
Less: Cash and bank balances	(405,337)	(255,361)	(4,618)	(10,553)
Net debt/(cash)	26,774,427	29,865,161	972,416	180,042
Total equity	2,439,969	9,506,333	(590,323)	8,308,855
Total capital	29,214,396	39,371,494	382,093	8,488,897
Gearing ratio (%)	92%	76%	254%	2%

As at 31 December 2015, Jason Parquet Specialist (Singapore) Pte Ltd, a subsidiary of the group did not comply with a covenant of a banking facility to maintain the required minimum net worth.

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

26.6 Fair value of financial assets and financial liabilities

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

27. Comparative figure and prior year adjustments

The statements of financial position as at 1 January 2014 and 31 December 2014, consolidated statement of changes in equity for the financial years ended 1 January 2014 and 31 December 2014 and consolidated statement of comprehensive income and consolidated statement of cash flows for the financial year ended 31 December 2014 have been restated in the current financial year to correct prior year errors resulting from inappropriate accounting for revenue for offsite material as follows:

	As previously stated	Prior year adjustment	As restated
	$	$	$
(a) Statements of financial position			
Group			
2014			
Trade and other receivables	31,486,639	(5,008,961)	26,477,678
Inventories	10,536,399	(240,936)	10,295,463
2013			
Trade and other receivables	29,114,241	(4,863,547)	24,250,694
Inventories	10,599,396	(180,903)	10,418,493
(b) Consolidated statement of changes in equity			
2014			
Profit for the financial year	418,102	(205,447)	212,655
2013			
Retained earnings	5,161,749	(5,044,450)	117,299
(c) Consolidated statement of comprehensive income			
2014			
Revenue	40,135,766	(145,414)	39,990,352
Cost of sales	32,374,743	60,033	32,434,776
(d) Consolidated statement of cash flows			
2014			
Profit before income tax	412,191	(205,447)	206,744
Working capital changes:			
Inventories	62,997	60,033	123,030
Trade and other receivables	(2,311,608)	145,414	(2,166,194)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

28. Events subsequent to the reporting date

(a) Internal Audit Findings

On 14 January 2016, the Company announced the findings of an internal audit report commissioned by the Company's audit committee pursuant to a feedback received from an employee of the Company. The internal audit report highlighted amongst others there had been lapses in the Group's internal control systems in respect of timely and adequate recording of transactions. As a result, JPS had failed to identify omissions in the recognition of cost of goods sold in relation to certain revenue recognised in the unaudited half year ended 30 June 2015 ("HY2015") financial statements announced by the Company on 14 August 2015. The omissions appeared to be primarily due to a system design gap in the enterprise planning system. Following the receipt of the internal audit report, the Company commissioned its external auditors to perform certain agreed upon procedures ("AUPs") on the Group's revenue and cost of goods sold and to quantify the amount of misstatement on the HY2015 financial statements. The external auditors presented the results of their AUPs in a report dated 30 May 2016 ("AUP Report") which was announced by the Company on 31 May 2016. The AUP Report noted that amongst other that not all criteria under the relevant financial reporting standards for the recognition of material-off-site claim as revenue have been met and as such, those material-off-site claims that did not meet all the criteria should not be recognized as revenue for HY2015. Material-off-site claim that did not meet the criteria but was recognized as revenue for HY2015 was approximately S$4,252,000 resulting in an overstatement of revenue and profit for HY2015 by S$4,252,000, and overstatement of trade and other receivables as at 30 June 2015 by S$4,252,000.

(b) Report by Ernst & Young Advisory Pte. Ltd.

Following the review of the details of the internal audit report detailed in Note 28 (a) above, the Special Committee set up by the board of directors of the Company decided to appoint Ernst & Young Advisory Pte. Ltd. ("E&Y") to perform a review of the findings of the internal audit report and also conduct an assessment into certain account balances of the income statement and statement of financial position of JPS for the financial year ended 31 December 2015. On 24 May 2016, the Company announced the salient findings of the E&Y report dated 24 May 2016 which highlighted potential breaches of fiduciary duties in the management and administration of JPS as follows:

(i) Certain deposits and prepayments to other parties were made by JPS using trust receipts obtained from banks without underlying goods to support the same;

(ii) Accounts receivable financing from different banks was obtained using progress claims with identical work descriptions and values at different times;

(iii) Proper agreement and/or documentation were not maintained to govern the terms of payments made by JPS to various overseas parties;

(iv) There were discrepancies between the physical quantity of inventories and the records in the accounting system, and there was inadequate documentation to support the writing off of inventories and full physical stock counts were not conducted in recent years; and

(v) JPS paid for the instalments for the hire purchase of a motor vehicle registered in the name of the spouse of Mr. Jason Sim Chon Ang, the executive director and chief executive officer of the Company and director of JPS ("Jason Sim") and when the motor vehicle was reported to be stolen in October 2014, the balance insurance proceeds were not returned to JPS after repayment of the hire purchase amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

28. Events subsequent to the reporting date (Continued)

(c) Investigations by Commercial Affairs Department

On 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against Jason Sim on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). Jason Sim was interviewed by the CAD on 1 August 2016 and 2 August 2016 and was ordered to produce all documents concerning JPS and the Company, all personal mobile devices, all computers, laptops or other IT equipment used by him and surrender his travel documents to the CAD. On 16 September 2016, the Company announced that Mr New Sze Wei, an employee of JPS and Ms Amy Chan Mei Lin, a former employee of JPS were interviewed by the CAD in relation to its investigations against Jason Sim on 30 August 2016 and 9 September 2016 respectively. At the date of this report, the investigations are not yet completed. Accordingly, the directors of the Company are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

(d) An Orders of Court executed by a sub-contractor amounting to approximately $206,000 by way of Writs of Seizure and Sale on certain assets of wholly owned subsidiary, JPS on 29 March 2016.

(e) A charge by the Ministry of Manpower in relation to JPS's alleged failure to take adequate safety measures at a workplace. On 7 June 2016, JPS admitted to the charge and made a plea-in-mitigation before the State Courts of Singapore. JPS was convicted and sentenced to pay a fine of $110,000.

(f) Demand notices amounting to approximately $660,000 from counterparties on performance bonds issued and executed in connection with various contracts entered into by JPS as announced by the Company on 17 May 2016 and 26 May 2016.

(g) Potential litigation and repayments pursuant to claims against JPS by various contracting parties amounting to approximately $1.44 million as announced by the Company on 17 May 2016, 18 May 2016, 21 May 2016, 2 June 2016 and 9 June 2016.

(h) Letters of demand for amount totaling $46,900 against the Company as announced on 16 September 2016 and 2 October 2016.

(i) On 7 April 2016, the Company, as guarantor and JPS received letters of demand from the solicitors of DBS cancelling certain banking facilities granted to JPS, and demanding for payment of the outstanding sum of approximately $7.29 million owing by JPS. On 6 May 2016, the Company was informed that DBS, being the mortgagee in respect of JPS's property located at 16 Tampines Street 92, Singapore 528873 ("Mortgaged Property") has appointed joint and several receivers ("Receivers") over the Mortgaged Property in accordance to the terms of the Mortgage. On 3 March 2017, the Company announced the Mortgaged Property was sold by the Receivers for a consideration of $8.3 million with approximately $8.2 million of the proceeds been used to repay professional fees and incidental costs, and outstanding amount due to DBS and the balance proceed of $103,601 returned to JPS. On 17 May 2017, DBS issued a letter to JPS to discharge the Company from the corporate guarantee given to DBS.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

28. Events subsequent to the reporting date (Continued)

(j) Winding up order against JPS

On 1 April 2016, JPS received a letter of demand for an amount of approximately $1.3 million due to Radwell Pte Ltd, a substantial shareholder of the Company. On 5 April 2016, JPS received a statutory demand from the solicitors of Radwell Pte Ltd. Pursuant to the statutory demand, the solicitors of Radwell filed the winding up application with the High Court of Singapore on 29 April 2016 to wind up JPS. On 10 June 2016, a winding up order was made against JPS by the High Court of Singapore and Mr Chee Yoh Chuang and Mr Abuthahir Abdul Gafoor, both care of RSM Corporate Advisory Pte Ltd were appointed as joint and several liquidators of JPS.

(k) On 9 May 2016, the Company announced that both the Company and JPS have received a letter of demand dated 5 May 2016 from the solicitors of Malayan Bank Berhad ("MBB") demanding for immediate repayment of the sum amounting to approximately $1.7 million that is due and owing under the banking facilities granted by MBB to JPS, the repayment of which was guaranteed by the Company. The letter stated that the solicitors of MBB have been instructed to commence legal proceedings to recover, inter alia, the abovementioned sum together with interest and legal costs, if payment of such sum is not made within seven (7) days of the date of the letter of demand.

(l) On 17 May 2016, the Company announced that both the Company and JPS have received a letter of demand dated 13 May 2016 from the solicitors of United Overseas Bank Limited ("UOB") recalling certain banking facilities granted by UOB to JPS and demanding for immediate repayment of the sum amounting to approximately $1.77 million pursuant to such banking facilities, the repayment of which was guaranteed by the Company. The letter stated that the solicitors of UOB have been instructed to commence legal proceedings if payment of such sum is not made within 7 days of the date of the letter of demand.

(m) On 17 May 2016, the Company announced that both the Company, JPS and the JPS Directors namely Mr Jason Sim Chon Ang and Mr Sim Choon Joo have received a letter of demand dated 10 May 2016 from the solicitors of Australia and New Zealand Banking Group Limited, Singapore Branch ("ANZ") demanding for full repayment of the sum amounting to approximately $1.69 million (comprising principal amounts of approximately $1.64 million and interest due of approximately $52,000) that is due and owing under the banking facilities granted by ANZ to JPS, the repayment of which was jointly and severally guaranteed by the Company and the JPS Directors. The letter stated that the solicitors of ANZ have been instructed to commence legal proceedings if payment of such sum is not made within seven (7) days of the date of the letter of demand.

On 26 September 2016, the Company and JPS Directors, respectively, received statutory demands from ANZ for repayment of the sum amounting to $1.74 million that is due and owing by the Company and JPS Directors as guarantors for banking facilities granted by ANZ to JPS. The statutory demands stated that if payment (including legal costs) is not made or is secured or compounded to the reasonable satisfaction of ANZ within 21 days from the date of the statutory demands, ANZ shall be entitled to present winding up application in the High Court against the Company and/or it may file bankruptcy applications against the JPS Directors. On 10 November 2016, the solicitors for ANZ filed an application to wind up the Company on the basis that over 21 days have elapsed since the service of the statutory demand, which the Company has failed and/or neglected to pay or satisfy in full (or any part of) the demanded sums, or make any offer to ANZ to secure or compound the same or any part thereof. On 14 November 2016, the winding up application was served on the Company.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

28. Events subsequent to the reporting date (Continued)

(n) The Scheme of Arrangement and Placement of New Shares of the Company

On 1 December 2016, the Company filed the Scheme of Arrangement ("SOA") Application to seek to effect a restructuring of its debts and liabilities. On 8 December 2016, the Company announced that the SOA Application was granted by the High Court of Singapore ("Court") on 7 December 2016 on, amongst others; (a) a meeting of creditors to be convened by 1 February 2017, (b) Ms Ee Meng Yen Angela of Ernst & Young Solutions LLP be appointed as chairman of the Court meeting, (c) a Moratorium to apply until 20 February 2017 or such other date pursuant to further order(s) of Court; with the Company at liberty to apply for an extension of the Moratorium, (d) in the event the SOA is approved at the Court Meeting, the Company shall be at liberty to apply that the SOA be approved by order of Court, with such modifications as are approved at the SOA meeting (if any), so as to be binding on the Company and its creditors and (e) the Company and its creditors shall be at liberty to apply for such further orders, or directions as necessary. The Moratorium applies to all proceedings against the Company, including but not limited to the winding up application by ANZ against the Company.

On 21 December 2016, the Company announced a proposed placement of 2,000,000,000 new ordinary shares ("Placement Shares") for an aggregate subscription amount of $1,000,000 in the Company in connection with the SOA pursuant to a binding conditional placement term sheet entered between the Company and Mr Lim Chwee Kim, a director and controlling shareholder of the Company ("Proposed Placement"). The Company intends to use up to 25% of the $1,000,000 for the payment of professional fees in relation to the Proposed Placement and the SOA and fund the Company's working capital to facilitate the restructuring, and the balance proceeds from the Proposed Placement to compromise in full all actual and contingent claims against the Company pursuant to the SOA.

On 2 February 2017, the Company announced that the SOA has been unanimously approved at the Court meeting convened on 1 February 2017.

On 16 February 2017, the Company announced the extension of time for the Moratorium has been granted by the Court to 31 March 2017.

On 22 February 2017, the Company announced that it had on 20 February 2017 filed an application for Court sanction of the SOA pursuant to Section 210(3AB)(c) (read with Section 210(4)) of the Act ("Sanction Application").

On 27 February 2017 and 28 February 2017, the Company announced the signing of the Placement Agreement dated 24 February 2017 and the proposed issue of 513,253,613 new ordinary shares in the capital of the Company (the "Scheme Shares") under the Scheme (the "Proposed Scheme Share Issue").

On 16 March 2017, the Company announced that the Sanction Application was heard before the Court on 15 March 2017. The Court granted an order to sanction the Scheme ("Sanction Order") in accordance with Section 210(3AB)(c) (read with Section 210(4)) of the Act so as to be binding on the Company and the existing creditors of the Company.

On 27 March 2017, the Company announced it had on 22 March 2017 lodged a copy of the Sanction Order with the Accounting and Corporate Regulatory Authority of Singapore and the Sanction Order shall take effect on and from 22 March 2017 pursuant to Section 210(5) of the Act.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2015

28. Events subsequent to the reporting date (Continued)

(n) The Scheme of Arrangement and Placement of New Shares of the Company (Continued)

On 4 May 2017, the Company announced that it had on 3 May 2017 received the Listing and Quotation Notice from the Singapore Stock Exchange Securities Trading Limited ("SGX-ST") for the listing of, and quotation for the 2,000,000,000 Placement Shares and 513,253,613 Scheme Shares subject to the compliance with the SGX-ST's listing requirements and approval from shareholders of the Company being obtained at a general meeting to be convened. In addition, the SGX-ST requires the Placement Shares to be placed out within seven market days from the date of the extraordinary general meeting of the Company to be convened for the purpose of seeking the Company shareholders' approval for the allotment and issue of the Placement Shares and the Scheme Shares.

On 31 May 2017, the Company announced that at the extraordinary general meeting held on 31 May 2017, the allotment and issue of the Placement Shares and the Scheme Shares were duly approved by the Company shareholders. On 9 June 2017, the Company announced that the Proposed Placement has been completed and the Placement Shares have been allotted and issued to Mr Lim Chwee Kim, in accordance with the terms of the Placement Agreement. The Placement Shares were listed and quoted on the Catalist board of the SGX-ST on 14 June 2017.

On 19 July 2017, the Company announced the completion of the issue of the Scheme Shares following finalisation of the adjudication of the proof of debts by the Scheme manager. A total of 513,253,595 Scheme Shares were allotted on 19 July 2017 with 18 Scheme Shares disregarded as fractions of a Scheme Share. The Scheme Shares were listed and quoted on the Catalist board of the SGX-ST on 21 July 2017. Following the completion of the Proposed Placement and Scheme Shares, the issued share capital of the Company has increased from 216,000,000 shares to 2,729,253,595 shares on 19 July 2017. Further, pursuant to the terms of the Scheme, the Company has issued payment of the Scheme consideration to the participating creditors for an aggregate amount of $750,000 to compromise in full all actual and contingent claims against the Company. The issuance of the Scheme Shares and payment of the Scheme consideration to the participating creditors will constitute a full and final settlement of all liabilities owed by the Company to the existing creditors.

On 19 October 2017, the Company announced that payment to all the participating creditors has been made in accordance to the Scheme on 17 October 2017 and was accordingly a good discharge to the Company. The issuance of the Scheme Shares and payment of the Scheme Consideration to the participating creditors constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Accordingly, the Scheme has been completed.

(o) Use of Proceeds from the Placement of New Shares in the Company

On 19 July 2017, the Company announced that out of the gross proceeds from the placement of $1,000,000, $750,000 has been utilised towards the payment of the Scheme consideration to the participating creditors in accordance with the stated use of proceeds of the Placement.

On 30 September 2017, the Company announced that approximately $236,000 of the Placement Proceeds has been utilised to pay for the aforementioned professional fees on or around 29 September 2017, and the balance will be used to fund the Company's working capital.

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2016

The Directors of Jason Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2016 and the statement of financial position of the Company as at 31 December 2016.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) In view of the non-consolidation of the comprehensive income of the Company's wholly owned principal subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd from 1 January 2016 to 10 June 2016, for reasons detailed in Note 2.2 and Note 27, which may have a material impact on the consolidated financial statements, the directors were unable to express whether the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the year end on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as disclosed in Note 4 to the financial statements.

2. Directors

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

Lim Chwee Kim
Sim Choon Joo
Jason Sim Chon Ang
Wui Heck Koon
Tan Lai Heng
Karam Singh Parmar

3. Arrangements to enable Directors to acquire shares or debentures

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

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2016

4. Directors' interests in shares or debentures

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

Name of Directors and company in which interests are held	Shareholdings registered in name of Director	
	At 1 January 2016	At 31 December 2016
Company:		
Jason Holdings Limited		
(No. of ordinary shares)		
Jason Sim Chon Ang	51,028,000	51,028,000
Sim Choon Joo	5,400,000	5,400,000
Lim Chwee Kim	42,800,000	42,800,000

By virtue of Section 7 of the Act, Jason Sim Chon Ang is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2017 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2016.

5. Share options

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

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

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit committee

The audit committee of the Company is chaired by Wui Heck Koon, an independent Director, and includes Tan Lai Heng and Karam Singh Parmar, who are both independent Directors. The audit committee's functions in accordance to section 201B(5), include reviewing the following:

(a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;
(b) the Company's and the Group's financial and operating results and accounting policies;
(c) the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;
(d) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
(e) the co-operation and assistance given by the management to the Company's internal and external auditor; and
(f) the re-appointment of the external auditor of the Company.

DIRECTORS' STATEMENT

For Financial Year Ended 31 December 2016

6. Audit committee (continued)

For the financial year ended 31 December 2016, the Company has not consolidated the financial statements of its wholly-owned principal subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd ("JPS") from 1 January 2016 to 10 June 2016 as detailed in Note 2.2 and Note 27 because the Company does not have complete financial records of JPS due to limited access to the financial information as all the financial information documents are handed over to liquidators of JPS and some financial information are impounded by the Commercial Affairs Department of the Singapore Police Force (the "CAD") and the Company has insufficient resources to complete the bookkeeping of JPS. In addition, all management staff and personnel have left the employment of the Company in 2016. The audit committee would not be able to verify the financial information of JPS without complete bookkeeping and the assist of the relevant management, coupled with the significant uncertainties on the financial statements of JPS arising from the findings by Ernst & Young Advisory Pte Ltd and pending investigations by the CAD on Jason Sim Chon Ang, a Director of the Company and Director of JPS as announced by the Company in 2016 and disclosed in the financial statements of the Company for financial year ended 31 December 2015.

In view of the above, the audit committee has recommended to the Board of Directors of the Company that they are of the opinion that the Group's risk management system and internal controls addressing financial, operational, compliance and information technology risks were inadequate. The Board of Directors of the Company has endorsed the audit committee's recommendations. Due to the special circumstances set out above, the audit committee and the Board of Directors are unable to obtain confirmation from the former CEO and the former Financial Controller that the financial records have been properly maintained; that the financial statements give a true and fair view of the Group's operations and finances; and that the Group's risk management systems and internal control systems are effective.

With limited resources coupled with the fact that all management have left the employment of the Company, there are no access to management of the Company for the audit committee to fully discharge its function properly. The audit committee however continues to have full discretion to invite any Directors to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The audit committee has recommended to the Directors the nomination of Moore Stephens LLP for appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

On behalf of the Board of Directors

Jason Sim Chon Ang
Director

Sim Choon Joo
Director

Singapore
16 April 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Jason Holdings Limited (the "Company") and its subsidiary (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out from page 109 to 162.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Jason Parquet Specialist (Singapore) Pte Ltd ("JPS") - Winding up of JPS and other scope limitations

During the course of our audit of the accompanying financial statements, a winding up order was made against JPS, a principal operating subsidiary of the Company, by the High Court of Singapore and liquidators were appointed on 10 June 2016 and consequently, the Group lost control of JPS on that date.

In accordance with FRS 110 - *Consolidated Financial Statements* ("FRS 110"), subsidiaries are consolidated by the parent up to the effective date on which control is lost. However, the Company had not consolidated JPS from 1 January 2016 to 10 June 2016 for various reasons as disclosed in Note 2.2 to the accompanying financial statements.

As a result of the Group's derecognition of JPS based on the carrying amounts of the net identifiable assets of JPS as at 1 January 2016, and as disclosed in Note 27 to the accompanying financial statements, the Group recognised a loss of $3,170,124 in the profit or loss.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Basis for Disclaimer of Opinion (Continued)

1. Jason Parquet Specialist (Singapore) Pte Ltd ("JPS") - Winding up of JPS and other scope limitations (Continued)

In our audit of the Group's consolidated financial statements for the prior financial year ended 31 December 2015, we were unable to conclude whether the financial information of JPS which had been consolidated in those financial statements were free from material misstatement. The basis and reasons for the scope limitation were highlighted in our report on those financial statements dated on 16 April 2018.

Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out further audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

(a) to ascertain whether the results of JPS for the period from 1 January 2016 to 10 June 2016 were material;

(b) to conclude whether the Group's financial statements are materially misstated in relation to the non-consolidation of JPS from 1 January 2016 instead of 10 June 2016; and

(c) to ascertain whether the loss of $3,170,124 and related disclosures were appropriate.

Consequently, we were unable to conclude whether any adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2016. Our opinion on the accompanying financial statements is also modified because of the possible misstatement of JPS' financial information on the comparability of the current year's figures and the comparative figures.

2. Jason Holdings Limited (the "Company") - Significant limitation of staff resources, completeness and accuracy of records and other scope limitations

The Company experienced significant limitation of staff resources following the suspension and/or resignation of key management personnel and other staff, as well as the resignation of the finance team. Furthermore, the Company did not have sufficient resources to engage external parties to prepare the Group's and Company's accounts, and were unable to provide satisfactory responses to address our audit queries and requests for supporting documents, information and explanations in relation to the Company's financial information.

Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out audit procedures or satisfy ourselves through alternative means, we were unable to obtain sufficient appropriate audit evidence:

(a) to satisfy ourselves as to the completeness and accuracy of the Company's underlying accounting and other records, including journal entries and source documents; and

(b) to ascertain the existence, completeness, accuracy, valuation and/or classification, and related disclosures, of various transactions and balances relating to the Company.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Basis for Disclaimer of Opinion (Continued)

2. Jason Holdings Limited (the "Company") - Significant limitation of staff resources, completeness and accuracy of records and other scope limitations (Continued)

Consequently, we were unable to conclude whether the financial information of the Company which had been consolidated in the Group's consolidated financial statements were free from material misstatement and whether any adjustment may be necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2016.

3. Scheme of Arrangement and liabilities of the Company

As disclosed in Note 28(a) to the accompanying financial statements, on 1 December 2016, the Company filed for a Scheme of Arrangement ("SOA") to seek to effect a restructuring of its debts and liabilities. As at 31 December 2016, the Company recorded liabilities amounting to $2,530,972.

Due to a lack of sufficient supporting documents and information maintained by the Company, we were unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of liabilities recorded by the Company as at 31 December 2016. We were also unable to satisfy ourselves through alternative means.

Consequently, we were unable to determine whether any adjustment to the accompanying financial statements for the financial year ended 31 December 2016 may be necessary. Our opinion on the prior year financial statements was also modified on the same basis.

4. Subsequent events and going concern

Because of the scope limitations as described in item 2 above, we were not provided with reliable financial information of the Group and the Company beyond these set of financial statements. We were therefore unable to obtain sufficient appropriate audit evidence in relation to subsequent events and going concern, as described below, nor were we able to satisfy ourselves through alternative means.

Subsequent events

Certain subsequent events have been disclosed in Note 28 to the accompanying financial statements. Due to the above scope limitation, we were unable to obtain sufficient appropriate audit evidence that all subsequent events that have occurred up to the date of our report that may require adjustment to, or disclosure in the accompanying financial statements have been identified.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Basis for Disclaimer of Opinion (Continued)

4. Subsequent events and going concern (Continued)

Going concern

As disclosed in Note 4 to the accompanying financial statements, for the financial year ended 31 December 2016, the Group incurred a net loss of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 3 above, the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). WC's business had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. As disclosed in Note 4 to the accompanying financial statements, the financial statements of the Group and the Company have been prepared on the going concern basis taking into account that a controlling shareholder who is the Non-Executive Director and Chairman of the Company has undertaken to provide continuing financial support to the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

Due to the above scope limitation, we were unable to assess the latest financial position of the Group nor the future cash flow requirements of the Group in the absence of a cash flow forecast. We were therefore unable to assess the extent of financial support that may be required from the Non-Executive Director and Chairman of the Company and a director of WC as well as their abilities to provide the support if needed.

Accordingly, we were unable to conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the accompanying financial statements.

5. Impairment of plant and equipment of WC

As at 31 December 2016, the Group had plant and equipment amounting to $174,458, belonging to WC, which had indicators of impairment. WC's management had not performed an impairment assessment of those plant and equipment in accordance to FRS 36 "Impairment of Assets". Had the recoverable amounts of those plant and equipment been determined, impairment losses may have to be recognised and adjustments to their carrying amounts may be required. The effects of this matter on the accompanying financial statements had not been determined.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Basis for Disclaimer of Opinion (Continued)

6. CAD Investigation against a director of the Company and JPS

As disclosed in Note 28(c) to the accompanying financial statements, on 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against a director of the Company and JPS on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). At the date of this report, the investigations are not yet completed. Accordingly, we are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

Responsibilities of Management and Directors 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 Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of these financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT

To The Members of Jason Holdings Limited

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have not been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Aw Vern Chun Philip.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
16 April 2018

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2016

	Note	Group		Company	
		2016	2015	2016	2015
		$	$	$	$
Non-current assets					
Property, plant and equipment	5	174,458	9,050,130	-	-
Intangible asset	6	-	2,761	-	-
Investment in subsidiaries	7	-	-	-	-
Total non-current assets		174,458	9,052,891	-	-
Current assets					
Inventories	8	6,787	8,375,974	-	-
Trade and other receivables	9	1,034,996	11,814,004	60,116	301,208
Prepayments		32,722	61,871	900	20,769
Cash and bank balances	10	100,188	405,337	-	4,618
Total current assets		1,174,693	20,657,186	61,016	326,595
Less:					
Current liabilities					
Trade and other payables	11	3,811,770	11,033,491	2,524,426	973,101
Amount due to a corporate shareholder	12	-	1,312,967	-	-
Amount due to a Director of the Company	13	-	309,292	-	-
Borrowings	14	5,703	14,512,285	-	-
Current income tax payable		6,546	75,376	6,546	-
Total current liabilities		3,824,019	27,243,411	2,530,972	973,101
Net current liabilities		(2,649,326)	(6,586,225)	(2,469,956)	(646,506)
Non-current liabilities					
Borrowings	14	6,026	11,729	-	-
Deferred tax liability	15	-	14,968	-	-
Total non-current liabilities		6,026	26,697	-	-
Net (liabilities)/assets		(2,480,894)	2,439,969	(2,469,956)	(646,506)
Equity					
Share capital	16	9,144,696	9,144,696	9,144,696	9,144,696
Revaluation reserve		-	6,774,991	-	-
Accumulated losses		(11,621,214)	(13,446,258)	(11,614,652)	(9,791,202)
Equity attributable to owners of the Parent		(2,476,518)	2,473,429	(2,469,956)	(646,506)
Non-controlling interest		(4,376)	(33,460)	-	-
Total equity		(2,480,894)	2,439,969	(2,469,956)	(646,506)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2016

	Note	2016 $	2015 $
Revenue	17	4,630,161	23,240,865
Cost of sales		(3,320,482)	(24,255,439)
Gross profit / (loss)		1,309,679	(1,014,574)
Other items of income			
Interest income		4	2,171
Other income	18	543,628	536,431
Other items of expense			
Loss on deconsolidation of subsidiary		(3,170,124)	-
Selling and distribution expenses		(160)	(132,747)
Administrative expenses		(1,410,562)	(5,188,068)
Other expenses		(2,184,478)	(7,295,558)
Finance costs	19	(1,008)	(700,708)
Loss before income tax	20	(4,913,021)	(13,793,053)
Income tax expense	21	(7,842)	(48,302)
Loss for the financial year		(4,920,863)	(13,841,355)
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss			
Gain on revaluation of property		-	6,774,991
Reclassification from revaluation reserve upon deconsolidation		6,774,991	-
Other comprehensive income for the financial year, net of tax		6,774,991	6,774,991
Total comprehensive income for the financial year		1,854,128	(7,066,364)
(Loss)/Profit attributable to:			
Owners of the parent		(4,949,947)	(13,776,212)
Non-controlling interest		29,084	(65,143)
		(4,920,863)	(13,841,355)
Total comprehensive income attributable to:			
Owners of the parent		1,825,044	(7,001,221)
Non-controlling interest		29,084	(65,143)
		1,854,128	(7,066,364)
Loss per share			
Basic and diluted (cents)	22	(2.29)	(6.38)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2016

	Share capital $	(Accumulated losses)/retained earnings $	Revaluation reserve $	Equity attributable to owners of parent $	Non-controlling interest $	Total equity $
Group						
Balance at 1 January 2016	9,144,696	(13,446,258)	6,774,991	2,473,429	(33,460)	2,439,969
(Loss)/profit for the financial year	-	(4,949,947)	-	(4,949,947)	29,084	(4,920,863)
Reclassification from revaluation reserve upon deconsolidation of subsidiary	-	6,774,991	(6,774,991)	-	-	-
Total comprehensive income for the financial year	-	1,825,044	(6,774,991)	(4,949,947)	29,084	(4,920,863)
Balance at 31 December 2016	9,144,696	(11,621,214)	-	(2,476,518)	(4,376)	(2,480,894)
Balance at 1 January 2015	9,144,696	329,954	-	9,474,650	31,683	9,506,333
Loss for the financial year	-	(13,776,212)	-	(13,776,212)	(65,143)	(13,841,355)
Gain on revaluation of property	-	-	6,774,991	6,774,991	-	6,774,991
Total comprehensive income for the financial year	-	(13,776,212)	6,774,991	(7,001,221)	(65,143)	(7,066,364)
Balance at 31 December 2015	9,144,696	(13,446,258)	6,774,991	2,473,429	(33,460)	2,439,969

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2016

	Note	2016 $	2015 $
Operating activities			
Loss before income tax		(4,913,021)	(13,793,053)
Adjustments for:			
Amortisation of intangible asset	6	-	54,136
Allowance for doubtful trade and other receivables, net	9	22,997	480,278
Trade receivables written off – third parties		11,003	182,224
Advance to suppliers written off		-	2,894,017
Depreciation of property, plant and equipment	5	78,168	287,058
Loss/(gain) on disposal of property, plant and equipment		21,242	(1,039)
Loss from deconsolidation of subsidiary	27	3,170,124	-
Provision for corporate guarantee		1,107,074	-
Written off of grant receivables		241,091	-
Interest expense	19	1,008	700,708
Interest income		(4)	(2,171)
Inventories written off		60,801	2,920,790
Provision for slow moving inventories		40,540	-
Unrealised exchange difference		790	(138,181)
Operating cash flows before working capital changes		(158,187)	(6,415,233)
Working capital changes:			
Inventories		177,782	(1,001,301)
Trade and other receivables		(616,726)	11,164,804
Prepayments		29,149	139,919
Trade and other payables		573,447	4,649,868
Amount due to a Director of the Company		-	(494,590)
Cash generated by operations		5,465	8,043,467
Interest received		4	2,171
Interest paid		-	(18,227)
Income taxes (paid)/refund		(1,296)	27,073
Net cash from operating activities		4,173	8,054,484
Investing activities			
Purchase of property, plant and equipment	5	(40,352)	(145,654)
Purchase of intangible asset	6	-	(1,120)
Deconsolidation of subsidiary, net of cash disposed	27	40,234	-
Proceeds from disposal of property, plant and equipment		-	22,750
Net cash used in investing activities		(118)	(124,024)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2016

	Note	2016 $	2015 $
Financing activities			
Repayment to a Director of the Company		-	(1,508,000)
Advance from a Director of the Company		-	640,000
Repayment of finance lease obligations		(5,832)	(72,622)
Proceeds from borrowings		-	29,876,973
Repayment of borrowings		-	(35,994,940)
Interest paid		(1,008)	(682,481)
Net cash used in financing activities		(6,840)	(7,741,070)
Net change in cash and cash equivalents		(2,785)	189,390
Cash and cash equivalents at beginning of financial year		102,973	(86,417)
Cash and cash equivalents at end of financial year	10	100,188	102,973

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2016

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

1. General

Jason Holdings Limited (the "Company") (Registration number 201119167Z) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 11 Tampines Street 92, #03-05 Tampines Bizhub, Singapore 528872.

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

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

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 December 2016 were authorised for issue by the Board of Directors on 16 April 2018.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies and Note 2.2 below.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

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

		Effective date (annual periods beginning on or after)
FRS 7 (Amendments)	: Disclosure Initiative	1 January 2017
FRS 12 (Amendments)	: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 28 (Amendments)	: Long-term Interests in Associates and Joint Ventures	1 January 2019
FRS 40 (Amendments)	: Transfers of Investment Property	1 January 2018
FRS 102 (Amendments)	: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 104 (Amendments)	: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 109	: Financial Instruments	1 January 2018
FRS 109 (Amendments)	: Prepayment Features with Negative Compensation	1 January 2019
FRS 110 and FRS 28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 115	: Revenue from Contracts with Customers	1 January 2018
FRS 115 (Amendments)	: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	: Leases	1 January 2019
Improvements to FRSs (December 2016)		
- FRS 28 (Amendments)	: Investments in Associates and Joint Ventures	1 January 2018
- FRS 101 (Amendments)	: First – time Adoption of Financial Reporting Standards	1 January 2018
- FRS 112 (Amendments)	: Disclosure of Interests in Other Entities	1 January 2017
INT FRS 122	: Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123	: Uncertainty over Income Tax Treatments	1 January 2019
Improvements to FRSs (March 2018)		
- FRS 103 (Amendments)	: Business Combinations	1 January 2019
- FRS 111 (Amendments)	: Joint Arrangements	1 January 2019
- FRS 12 (Amendments)	: Income Taxes	1 January 2019
- FRS 23 (Amendments)	: Borrowing Costs	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

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

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

FRS 7 (Amendments) *Disclosure Initiative*

The amendments require additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group and the Company will adopt these amendments in the financial year beginning on 1 January 2017 and will include the additional disclosures in its financial statements for that financial year.

FRS 109 *Financial Instruments*

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

Classification and measurement

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group and the Company can elect to recognise the gains and losses in other comprehensive income. Debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group and the Company are holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through other comprehensive income.

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

The Group and Company have not performed an assessment of the classification and measurement of its financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 109 *Financial Instruments* (Continued)

Impairment

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

The new impairment requirements are expected to result in changes to and likely increases in impairment loss allowances on trade receivables and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. The Group is still in the process of determining how it will estimate expected credit losses and the sources of forward-looking data.

Transition

The Group and the Company plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year.

FRS 109 also requires additional financial statements disclosures which the Group will include in its financial statements in the financial year when FRS 109 is adopted.

FRS 115 *Revenue from Contracts with Customers*

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

The Group and the Company have not assessed the potential impact on accounting for contract modifications.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

The Group have not yet made a detailed assessment of the impact of this standard.

Adoption of IFRS-identical financial reporting standards

Singapore-incorporated companies listed on SGX-ST are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") in 2018. The Group will adopt the new framework on 1 January 2018 and will apply the equivalent of IFRS 1 First-time Adoption of International Financial Reporting Standards to the transition. This will involve restating the comparatives for the financial year ended 31 December 2017 and the opening statements of financial position as at 1 January 2017 in accordance with the new framework. The Group is in the process of assessing the impact of transition, including the impact from the adoption of IFRS 9 and 15 which is expected to be similar to the impact of FRS 109 and 115 disclosed above, as well as other transitional adjustments that may be required or elected under IFRS 1.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. For the financial year 2016, the Company has not consolidated Jason Parquet Specialist (Singapore) Pte Ltd ("JPS") from 1 January 2016 to 10 June 2016 even though the liquidation order was effective on 10 June 2016 because the Company does not have complete financial records of JPS due to limited access to the financial information as all the financial information documents are handed over to liquidator of JPS and some financial information are impounded by the Commercial Affairs Department of the Singapore Police Force (the "CAD") and the Company has insufficient resources to complete the bookkeeping of JPS. In addition, all management staff and personnel have left the employment of the Company in 2016. This is coupled with the significant uncertainties on the financial statements of JPS arising from the findings by Ernst & Young Advisory Pte. Ltd. and pending investigations by the CAD on Jason Sim Chon Ang, a Director of the Company and Director of JPS as announced by the Company in 2016 and disclosed in the financial statements of the Company for financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Business combinations from 1 January 2010

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

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

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

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

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

Acquisition under common control

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

2.3 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.3 Property, plant and equipment (Continued)

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

During the previous financial year ended 31 December 2015, the Company has changed the accounting policy for leasehold land and building from cost model to revaluation model. Leasehold land and building is measured at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising from the revaluation of such leasehold land and building is recognised in other comprehensive income and credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.3 Property, plant and equipment (Continued)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

2.4 Intangible assets

Computer software license

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

Computer software license is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

2.5 Impairment of non-financial assets excluding goodwill

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.7 Financial assets

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group and the Company's Loans and receivables in the statements of financial position comprise trade and other receivables and cash and bank balances.

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

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

Initial and subsequent measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.7 Financial assets (Continued)

Impairment

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

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

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

2.8 Cash and bank balances

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

2.9 Financial liabilities

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

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

(i) Trade and other payables

Trade and other payables are initially measured at fair value, net off of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.9 Financial liabilities (Continued)

(ii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

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

Recognition and derecognition

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

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

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

2.10 Equity instruments

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

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

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.11 Revenue recognition (Continued)

Sale of goods

Revenue from sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and it is probable that the agreed consideration will be received. Normally these criteria are considered to be met when the goods are delivered to and accepted by the buyer.

Installation services

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

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

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

Dry lay and other services

Revenue from dry lay and other services which are short term in nature refer to services provided for laying out of tiles on a dry surface based on customers' requirement and other miscellaneous services. Dry lay and other services are recognised upon services rendered and approved by customers.

Rental Income

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

Interest income

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

2.12 Grants

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

2.13 Employee benefits

Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.13 Employee benefits (Continued)

Employee leave entitlement

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

2.14 Leases

Finance leases

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

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

Operating leases

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

2.15 Borrowing costs

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.16 Taxes

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.16 Taxes (Continued)

Deferred tax (Continued)

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

Sales tax

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

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

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

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

2.17 Foreign currency transactions

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

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

2.18 Dividends

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

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

2. Significant accounting policies (Continued)

2.20 Contingencies

A contingent liability is:

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

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

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

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

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

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

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

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

(i) Impairment of investment in subsidiaries

The Group and the Company follow the guidance of FRS 36 in determining whether investments in subsidiaries are impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the recoverable amount of the investment is less than its carrying amount and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

3.2 Key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

3.2 Key sources of estimation uncertainty (Continued)

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 30 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2016 was $174,458 (2015: $9,050,130). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Allowance for inventories obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the "weighted average" method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 December 2016 was $6,787 (2015: $8,375,974).

(iii) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of the customers were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2016 were $1,034,996 (2015: $11,814,004) and $60,116 (2015: $301,208) respectively.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Fair value measurement

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

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

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

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

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

4. Going concern

For the financial year ended 31 December 2016, the Group incurred a net loss for the year of $4,920,863, and was in a net current liabilities position of $2,649,326 and had capital deficiency of $2,480,894 as at 31 December 2016. As part of the SOA described in item 28(a), the Company issued new placement shares for gross proceeds of $1,000,000 ("Placement Proceeds") on 14 June 2017. The SOA was completed on 17 October 2017 which constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Based on the Company's announcement on 30 September 2017, approximately $14,000 of the Placement Proceeds remain available to fund the Company's working capital. In addition, after the winding up and loss of control of JPS, the Group has one remaining subsidiary, White Cubic Pte Ltd ("WC"). The business of WC had deteriorated since the end of the financial year ended 31 December 2016.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about Group's and Company's abilities to continue as going concerns. The financial statements of the Group and the Company have been prepared on the going concern basis taking into account that the Company has completed its SOA on 17 October 2017 where it has settled in full all debts owed by the Company to its existing creditors as at 30 December 2016 as disclosed in Note 28(a) and a continuing financial support provided by Mr Lim Chwee Kim, a controlling shareholder and Director of the Company. In addition, a director of WC has undertaken to provide continuing financial support to WC.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2016

5. Property, plant and equipment

	At fair value	<---------- At cost ---------->						
	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	$	$	$	$	$	$	$	$
Group								
Cost								
Balance at 1 January 2016	8,600,000	239,177	988,956	133,969	206,473	851,917	119,451	11,139,943
Deconsolidation of subsidiary	(8,600,000)	(170,349)	(837,456)	(105,016)	(161,856)	(851,917)	(9,669)	(10,736,263)
Additions	-	13,250	-	484	1,970	-	24,648	40,352
Disposal	-	-	-	-	-	-	(67,657)	(67,657)
Balance at 31 December 2016	-	82,078	151,500	29,437	46,587	-	66,773	376,375
Accumulated depreciation								
Balance at 1 January 2016	-	120,609	781,482	96,935	179,054	846,628	65,105	2,089,813
Deconsolidation of subsidiary	-	(100,465)	(728,032)	(84,346)	(152,049)	(846,628)	(8,129)	(1,919,649)
Depreciation charge for the year	-	15,261	30,300	5,799	9,153	-	17,655	78,168
Disposal	-	-	-	-	-	-	(46,415)	(46,415)
Balance at 31 December 2016	-	35,405	83,750	18,388	36,158	-	28,216	201,917
Net carrying amount								
Balance at 31 December 2016	-	46,673	67,750	11,049	10,429	-	38,557	174,458

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

5. Property, plant and equipment (Continued)

	At fair value	<---------- At cost ---------->						
	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	$	$	$	$	$	$	$	$
Group								
Cost								
Balance at 1 January 2015	3,274,421	127,877	962,312	143,968	201,013	851,917	102,026	5,663,534
Additions	-	111,300	86,969	-	5,460	7,000	17,425	228,154
Disposal	-	-	(60,325)	(9,999)	-	(7,000)	-	(77,324)
Revaluation	5,325,579	-	-	-	-	-	-	5,325,579
Balance at 31 December 2015	8,600,000	239,177	988,956	133,969	206,473	851,917	119,451	11,139,943
Accumulated depreciation								
Balance at 1 January 2015	1,340,263	97,792	759,303	76,795	159,269	836,731	37,627	3,307,780
Depreciation charge for the year	109,149	22,817	72,515	25,417	19,785	9,897	27,478	287,058
Disposal	-	-	(50,336)	(5,277)	-	-	-	(55,613)
Revaluation	(1,449,412)	-	-	-	-	-	-	(1,449,412)
Balance at 31 December 2015	-	120,609	781,482	96,935	179,054	846,628	65,105	2,089,813
Net carrying amount								
Balance at 31 December 2015	8,600,000	118,568	207,474	37,034	27,419	5,289	54,346	9,050,130

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

5. Property, plant and equipment (Continued)

As at 31 December 2016, the Group has motor vehicles under finance lease obligations with net carrying amounts of $67,750 (2015: $207,474). Finance leased assets are pledged as security for the related finance lease payables (Note 14).

As at 31 December 2015, the Group's leasehold land and building ("Mortgaged Property") with net carrying amount of $8,600,000 was charged by way of legal mortgage for banking facilities granted to the subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd. During the financial year, the Development Bank of Singapore ("DBS"), the mortgagee of the Mortgaged Property appointed receivers ("Receivers") to take over the Mortgaged Property. Subsequently to the year end on 28 February 2017, the Receivers informed the Company that the sale of the Mortgaged Property has been completed. The proceeds arising from the sale of the Mortgaged Property amounted to approximately $8.3 million of which $8.2 million had been used to repay professional fees and incidental costs, and borrowings from DBS and the balance proceed of $103,601 was returned to Jason Parquet Specialist (Singapore) Pte Ltd. On 17 May 2017, DBS issued a letter to Jason Parquet Specialist (Singapore) Pte Ltd to discharge the Company from the corporate guarantee given to DBS (Note 14). In consolidated financial statements for financial year ended 31 December 2016, the Company decided not to consolidate Jason Parquet Specialist (Singapore) Pte Ltd which own the mortgaged property (Note 27).

Leasehold land and building of the Group were valued as at 13 January 2016 by DTZ Debenham Tie Leung (SEA) Pte Ltd, an independent professional valuation firm using the sales comparison approach. Sale prices of comparable land and buildings in similar locations are adjusted for differences in key attributes such as land and property size. The valuation is based on the assets' highest and best use, which is in line with their actual use. The resulting fair values of land and buildings are considered level 3 recurring fair value measurements.

The following table presents the valuation technique and key inputs that were used to determine the fair value of the leasehold land and building categorised under level 3 of the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Sensitivity
Leasehold land and building	Sales comparison approach	Yield adjustment*	The higher the yield adjustments, the higher the fair value

* The yield adjustments are made for differences in the nature, location, age, condition, tenure, design and layout, dates of transaction and the prevailing economic conditions affecting the property market of the specific property.

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

	Group	
	2016	2015
	$	$
Additions of property, plant and equipment	40,352	228,154
Acquired under finance lease agreements	-	(82,500)
Cash payments to acquire property, plant and equipment	40,352	145,654

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

6. Intangible asset

	Group	
	2016	2015
	$	$
Computer software		
Non-Current		
Cost		
Balance at beginning of financial year	339,141	338,021
Deconsolidation of subsidiary	(339,141)	-
Additions	-	1,120
Balance at end of financial year	-	339,141
Accumulated amortisation		
Balance at beginning of financial year	336,380	282,244
Deconsolidation of subsidiary	(336,380)	-
Amortisation charge for the year	-	54,136
Balance at end of financial year	-	336,380
Net carrying amount		
Balance at end of financial year	-	2,761

7. Investment in subsidiaries

	Company	
	2016	2015
	$	$
Unquoted equity shares, at cost	5,587,914	5,587,914
Allowance for impairment loss	(5,587,914)	(5,587,914)
	-	-

Movements in the allowance for impairment loss are as follows:

	Company	
	2016	2015
	$	$
At 1 January	(5,587,914)	-
Impairment loss recognised in the year	-	(5,587,914)
At 31 December	(5,587,914)	(5,587,914)

During the previous financial year, the Group carried out a review of the recoverable amount of the investment in White Cubic Pte Ltd and Jason Parquet Specialist (Singapore) Pte Ltd due to the losses reported by the subsidiaries and Jason Parquet Specialist (Singapore) Pte Ltd was wound up by a court order issued on 10 June 2016. The review led to the recognition of an impairment loss of $5,587,914 in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

7. Investment in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest	
		2016 %	2015 %	2016 %	2015 %
Jason Parquet Specialist (Singapore) Pte Ltd (Singapore)	In process of liquidation	-	100	-	-
White Cubic Pte Ltd [1] (Singapore)	Business of wholesale of structural clay, concrete products, ceramic, mosaic, tiles and cement works	60	60	40	40

[1] Audited by BDO LLP, Singapore

Non-controlling interest

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

Summarised statement of comprehensive income for the financial year ended 31 December:

	2016 S$	2015 S$
Revenue	4,630,161	3,860,936
Profit/(loss) before income tax	72,711	(162,857)
Profit/(loss) after income tax for the year, representing total comprehensive income	72,711	(162,857)
Profit/(loss) after income tax for the year, representing total comprehensive income attributable to NCI	29,084	(65,143)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

7. Investment in subsidiaries (Continued)

Non-controlling interest (Continued)

Summarised statement of financial position as at 31 December:

	2016 S$	2015 S$
Assets:		
Non-current assets	174,458	233,516
Current assets	1,173,793	1,241,676
Total assets	1,348,251	1,475,192
Liabilities:		
Non-current liabilities	6,026	11,729
Current liabilities	1,353,163	1,547,112
Total liabilities	1,359,189	1,558,841
Net liabilities	(10,938)	(83,649)
Attributable to:		
Equity holders of parent	(6,563)	(50,189)
Accumulated non-controlling interest	(4,375)	(33,460)

Summarised statement of cash flows for the financial year ended 31 December:

	2016 S$	2015 S$
Cash inflows from operating activities	7,783	216,616
Cash outflows from investing activities	(40,352)	(128,725)
Cash outflows from financing activities	(5,832)	(17,456)
Net cash (outflows)/ inflows	(38,401)	70,435

8. Inventories

	Group	
	2016 $	2015 $
Accessories	-	1,081,140
Timber materials	-	7,008,924
Marble materials	6,787	285,910
	6,787	8,375,974

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of write down of inventories of $60,801 (2015: $2,920,790) and provision for slow moving inventories of $40,540 (2015: Nil) as expenses which was included in “Cost of sales” line item in the Group’s profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

9. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables (third parties)				
- Receivables	414,718	5,409,328	-	-
- Accrued income	183,897	3,344,247	-	-
- Retention sum	246,523	3,404,714	-	-
Allowance for doubtful trade receivables	(74,724)	(1,336,564)	-	-
	770,414	10,821,725	-	-
Other receivables - third parties	599	241,514	-	241,091
Advance to suppliers	-	436,475	-	-
Deposits	263,983	261,641	-	-
Staff loans	-	52,649	-	-
Amount due from subsidiary	-	-	60,116	3,026,256
Allowance for doubtful other receivables	-	-	-	(2,966,139)
Total trade and other receivables	1,034,996	11,814,004	60,116	301,208
Add: Cash and bank balances (Note 10)	100,188	405,337	-	4,618
Total loans and receivables	1,135,184	12,219,341	60,116	305,826

Trade receivables are unsecured, non-interest bearing and generally on 30 (2015: 30 to 120) days' credit terms.

Grant receivables previously grouped under other receivables – third parties of $241,091 has been written off during the year as it is no longer claimable.

Deposits are mainly performance bond pledged to customers for projects, rental deposits and payments to suppliers as security for the purchase of goods.

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

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

	Group	
	2016	2015
	$	$
Balance at beginning of financial year	1,336,564	1,165,915
Deconsolidation of subsidiary	(1,284,837)	-
Allowance made during the financial year	22,997	480,278
Allowance written off	-	(309,629)
Balance at end of financial year	74,724	1,336,564

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

9. Trade and other receivables (Continued)

Trade receivables which are individually determined to be impaired relates to trade receivables that are in significant financial difficulties and have defaulted on payments. As at reporting date, allowance for doubtful debts relates to trade receivables, accrued income and retention sum individually impaired amounting to $74,724 (2015: $746,959), Nil (2015: $460,671), and Nil (2015: $128,934) respectively.

Movements in allowance for doubtful other receivables:

	Group	
	2016	**2015**
	$	**$**
Other receivables		
Balance at beginning of financial year	-	315,044
Allowance written off	-	(315,044)
Balance at end of financial year	-	-

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Singapore dollar	1,034,996	10,703,682	60,116	301,208
United States dollar	-	1,110,322	-	-
	1,034,996	11,814,004	60,116	301,208

10. Cash and bank balances

Cash and bank balances are denominated in the followings currencies:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Singapore dollar	96,871	378,263	-	4,618
United States dollar	1,614	20,863	-	-
Malaysian ringgit	61	4,556	-	-
Euro dollar	1,642	1,655	-	-
	100,188	405,337	-	4,618

	Group	
	2016	**2015**
	$	**$**
Cash and bank balances	100,188	405,337
Bank overdraft (Note 14)	-	(302,364)
Cash and cash equivalents as per consolidated statement of cash flows	100,188	102,973

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

11. Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade payables - third parties	1,067,088	5,450,225	2,908	-
Deposits from customers	3,589	1,430,771	-	-
Accrued operating expenses	52,775	2,628,268	-	-
Other payables - third parties	1,581,244	1,524,227	1,414,444	973,101
Provision for corporate guarantees	1,107,074	-	1,107,074	-
Total trade and other payable	3,811,770	11,033,491	2,524,426	973,101
Add: Amount due to a corporate shareholder (Note 12)	-	1,312,967	-	-
Amount due to a Director of the Company (Note 13)	-	309,292	-	-
Borrowings (Note 14)	11,729	14,524,014	-	-
Total financial liabilities carried at amortised cost	3,823,499	27,179,764	2,524,426	973,101

Trade payables are unsecured, non-interest bearing and are generally on 30 (2015: 30 to 90) days' credit terms.

Provision for corporate guarantees is an amount of $1,107,074 given to banks for facilities granted to Jason Parquet Specialist (Singapore) Pte Ltd which were being called and payable to these banks in accordance to the Scheme of Arrangement announcement dated 19 July 2017.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Singapore dollar	3,749,765	10,687,829	2,524,426	973,101
United States dollar	56,225	33,406	-	-
Malaysian ringgit	5,780	217,116	-	-
Euro dollar	-	95,140	-	-
	3,811,770	11,033,491	2,524,426	973,101

12. Amount due to a corporate shareholder

Amount due to a corporate shareholder was non-trade in nature, unsecured, interest-free, repayable on demand and was to be settled in cash as at 31 December 2015.

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

The amount due to a corporate shareholder was nil following the deconsolidation of Jason Parquet Specialist (Singapore) Pte Ltd on 1 January 2016 (Note 27).

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

13. Amount due to a Director of the Company

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

The amount due to a Director of the Company was denominated in Singapore dollar.

The amount due to a corporate shareholder was nil following the deconsolidation of Jason Parquet Specialist (Singapore) Pte Ltd on 1 January 2016 (Note 27).

14. Borrowings

	Group	
	2016	**2015**
	$	**$**
Current liabilities		
Secured		
Finance lease liabilities	5,703	222,268
Property loan	-	6,040,303
	5,703	6,262,571
Unsecured		
Bank overdraft	-	302,364
Trust receipts	-	5,029,451
Trade receivable financing	-	2,917,899
	-	8,249,714
Total current liabilities	5,703	14,512,285
Non-current liabilities		
Secured		
Finance lease liabilities	6,026	11,729
Total non-current liabilities	6,026	11,729
Total borrowings	11,729	14,524,014

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

	Group	
	2016	**2015**
	%	**%**
Finance lease liabilities	6.62 – 7.58	3.53 – 7.58
Trust receipts	-	2.83 – 4.65
Trade receivable financing	-	3.16 – 7.76
Property loan	-	1.75 – 2.25
Bank overdraft	-	6.00

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

14. Borrowings (Continued)

(ii) Finance lease liabilities

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

	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	$	$	$
Group			
2016			
Current liabilities			
Within one financial year	6,312	(609)	5,703
Non-current liabilities			
After one financial year but within five financial years	6,266	(240)	6,026
	12,578	(849)	11,729
2015			
Current liabilities			
Within one financial year	247,979	(25,711)	222,268
Non-current liabilities			
After one financial year but within five financial years	12,578	(849)	11,729
	260,557	(26,560)	233,997

Finance lease liabilities are due to financial institutions.

The finance lease term ranges from 1.5 to 3 (2015: 1 to 3) years.

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

14. Borrowings (Continued)

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

Property loan was secured by the legal mortgage of the Group's leasehold land and building ("Mortgaged Property"). It was supported by corporate guarantee given by the Company. During the financial year, the Development Bank of Singapore ("DBS"), the mortgagee of the Mortgaged Property appointed receivers ("Receivers") to take over the Mortgaged Property. Subsequently to the year end on 28 February 2017, the Receivers informed the Company that the sale of the Mortgaged Property has been completed. The proceed from the sale of the Mortgaged Property amounted to approximately $8.3 million of which $8.2 million had been used to repay professional fees and incidental costs, and borrowings from DBS and the balance proceed of $103,601 returned to Jason Parquet Specialist (Singapore) Pte Ltd. On 17 May 2017, DBS issued a letter to Jason Parquet Specialist (Singapore) Pte Ltd to discharge the Company from the corporate guarantee given to DBS (Note 5).

Trust receipts, trade receivable financing and bank overdraft relating to Jason Parquet Specialist (Singapore) Pte Ltd were supported by corporate guarantee by the Company or personal guarantees given by two Directors of the Company. Following the liquidation of Jason Parquet Specialist (Singapore) Pte Ltd on 10 June 2016, the Company recognised provision for corporate guarantees given to banks for facilities granted to Jason Parquet Specialist (Singapore) Pte Ltd which were being called and payable to these banks amounting to $1,107,704 (Note 11) in accordance to the Scheme of Arrangement announcement dated 19 July 2017.

The fair values of non-current interest-bearing liabilities as at 31 December 2016 and 2015 approximate their carrying amounts.

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

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

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Singapore dollar	11,729	14,524,014	-	-

15. Deferred tax liability

	Group	
	2016	2015
	$	$
Balance at end of financial year	-	14,968

The deferred tax liability is attributable to the temporary differences arising from accelerated tax depreciation computed at the statutory income tax rate of 17% (2015: 17%).

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

16. Share capital

	2016	2015	2016	2015
Group and Company	**Number of ordinary shares**		**$**	**$**
Issued and fully-paid up:				
At beginning and end of financial year	216,000,000	216,000,000	9,144,696	9,144,696

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

17. Revenue

	Group	
	2016	**2015**
	$	**$**
Installation services	-	14,763,858
Sales of goods	3,299,138	7,422,554
Dry lay and other services	1,331,023	1,054,453
	4,630,161	23,240,865

18. Other income

	Group	
	2016	**2015**
	$	**$**
Foreign exchange gain, net	-	85,554
Gain on disposal of property, plant and equipment	-	1,039
Rental income	19,178	8,250
Government grants	62,773	223,398
Recovery of amount from JPS previously impaired	437,005	-
Miscellaneous	24,672	218,190
	543,628	536,431

19. Finance costs

	Group	
	2016	**2015**
	$	**$**
Interest expenses:		
- finance lease liabilities	1,008	8,638
- trust receipts	-	332,401
- trade receivable financing	-	213,084
- term loans and property loan	-	128,359
- bank overdraft	-	18,226
	1,008	700,708

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

20. Loss before income tax

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

	Group	
	2016	**2015**
	$	**$**
Cost of sales		
Cost of inventories recognised as expenses	2,743,993	16,508,469
Inventories written off	60,801	2,920,790
Employee benefit expenses	220,408	2,547,203
Selling and Distribution expenses		
Advertising and promotions	160	68,277
Sales and marketing	-	28,078
Commission	-	36,392
Administrative expenses		
Operating lease expense	359,268	366,902
Employee benefit expenses	729,768	4,512,127
Other expenses		
Allowance for doubtful trade and other receivables, net	22,997	480,278
Audit fees		
- Auditors of the Company	57,000	143,499
Non-audit fees		
- Auditors of the Company	17,334	-
Amortisation of intangible asset	-	54,136
Depreciation of property, plant and equipment	78,168	287,058
Donations	1,200	22,200
Entertainment and refreshment	12,494	74,799
Foreign exchange loss		
- realised	5,115	-
- unrealised	790	-
Written off of grant receivables	241,091	-
Provision for corporate guarantee	1,107,074	-
Insurance	6,657	151,121
Provision for slow moving inventories	40,540	-
Late payment charge and penalty	2,171	1,651,565
Legal and professional fees	561,670	669,271
Trade receivables written off – third parties	11,003	182,224
Advance to suppliers written off	-	2,894,017
Telephone charges and network services	13,202	41,358
Upkeep of motor vehicles	13,531	229,503
Utilities	2,992	48,568

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

20. Loss before income tax (Continued)

Loss before income tax also includes:

	Group	
	2016	**2015**
	$	**$**
Employee benefits expenses*		
- salaries, bonus and other benefits	857,235	6,763,507
- contributions to defined contribution plans	92,941	295,823
	950,176	7,059,330

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

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

	Group	
	2016	**2015**
	$	**$**
Cost of sales	220,408	2,547,203
Administrative expenses	729,768	4,512,127
	950,176	7,059,330

21. Income tax expense

	Group	
	2016	**2015**
	$	**$**
Current income tax		
- current financial year	6,546	-
- under provision in prior years	1,296	48,302
	7,842	48,302

Domestic income tax is calculated at 17% (2015: 17%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

21. Income tax expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit before income tax as a result of the following differences:

	Group	
	2016	**2015**
	$	**$**
Loss before income tax	(4,913,021)	(13,793,053)
Income tax at statutory income tax rate of 17%	(835,214)	(2,344,819)
Expenses not deductible for income tax purposes	930,042	386,746
Enhanced tax deduction for approved equipment	-	(2,665)
Income not subject to tax	(84,962)	(177)
Income tax exemption	-	4,921
Under provision of income tax in prior years	1,296	48,302
Deferred tax asset not recognised	(9,866)	1,951,924
Others	6,546	4,070
	7,842	48,302

Subject to the agreement by relevant tax authorities, at the end of financial year, the Group has unutilised tax losses of $137,577 (2015: $12,053,000) and unabsorbed allowances and donations of Nil (2015: $326,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of profit streams. These losses may be carried indefinitely subject to the conditions imposed by law.

22. Loss per share

The calculations for loss per share are based on:

	Group	
	2016	**2015**
	$	**$**
Earnings		
Loss attributable to owners of the Parent	(4,949,947)	(13,776,212)
Number of shares		
Number of ordinary shares in issue applicable to basic and diluted earnings per share	216,000,000	216,000,000
Basic and diluted loss per share (in cents)	(2.29)	(6.38)

The calculations for basic loss per share for the relevant periods are based on the loss attributable to owners for the financial years ended 31 December 2016 and 2015 divided by the number of ordinary shares in issue in the relevant periods.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

23. Significant related party transactions

A related party is defined as follows:

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

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint venture of the same third party.
(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

	Company	
	2016	**2015**
	$	**$**
With related party		
Repayment to a Director	-	1,508,000
Advance from a Director	-	640,000
With subsidiaries		
Expense paid on behalf	-	1,266,893
Management fee income	-	993,817

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

23. Significant related party transactions (Continued)

Compensation of key management personnel

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Short-term benefits	418,960	817,872	314,960	684,478
Post-employment benefits	44,354	62,259	30,754	50,415
Directors' fees	95,000	95,000	95,000	95,000
	558,314	975,131	440,714	829,893

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Directors of the Company				
Short-term benefits	158,386	449,904	158,386	421,405
Post-employment benefits	9,780	18,850	9,780	18,850
Directors' fees	95,000	95,000	95,000	95,000
	263,166	563,754	263,166	535,255
Director of a subsidiary				
Short-term benefits	104,000	104,895	-	-
Post-employment benefits	13,600	11,844	-	-
	117,600	116,739	-	-
	380,766	680,493	263,166	535,255

24. Commitments

24.1 Operating lease commitments

The Group as the lessee

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

	2016	**2015**
	$	**$**
Not later than one financial year	73,925	270,962
After one financial year but within five financial years	69,546	6,648
	143,471	277,610

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2016

25. Segment information

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

(a) The projects segment business is providing structural clay, concrete products, ceramic, mosaic, tiles, cement works, timber, wall panel and countertop solutions to private and public residential and commercial property developments.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

25. Segment information (Continued)

	Projects	Distribution	Unallocated	Total
	$	$	$	$
Group				
2016				
Revenue				
- External sales	1,339,263	3,290,898	-	4,630,161
Results				
Segment results	661,433	648,246	(1,468,652)	(158,973)
Interest expense				(1,008)
Depreciation of plant and equipment				(78,168)
Other material non-cash items:				
- Loss from deconsolidation of subsidiary				(3,170,124)
- Provision for corporate guarantee				(1,107,074)
- Written off of grant receivables				(241,091)
- Allowance for doubtful trade receivables - third parties				(22,997)
- Inventories written off				(60,801)
- Provision for slow moving inventories				(40,540)
- Trade receivables written off – third parties				(11,003)
- Loss on disposal of property, plant and equipment				(21,242)
Loss before income tax				(4,913,021)
Income tax expense				(7,842)
Loss for the financial year				(4,920,863)

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

25. Segment information (Continued)

	Projects	Distribution	Unallocated	Total
	$	$	$	$
Group				
2015				
Revenue				
- External sales	15,818,311	7,422,554	-	23,240,865
Results				
Segment results	(2,139,445)	1,124,872	(5,262,479)	(6,277,052)
Interest income				2,171
Interest expense				(700,708)
Amortisation of intangible asset				(54,136)
Depreciation of property, plant and equipment				(287,058)
Other material non-cash items:				
- Advance to suppliers written off				(2,894,017)
- Allowance for doubtful trade receivables - third parties				(480,278)
- Inventories written off				(2,920,790)
- Trade receivables written off – third parties				(182,224)
- Gain on disposal of property, plant and equipment				1,039
Loss before income tax				(13,793,053)
Income tax expense				(48,302)
Loss for the financial year				(13,841,355)

Major customer

Revenue from one major customer amounted to $2,122,988 and $5,078,935 for the financial years ended 31 December 2016 and 2015, respectively arising from the projects segment.

Geographic information

Revenues from external customers

	2016	2015
	$	$
Singapore	4,630,161	19,487,621
Myanmar	-	3,725,798
China	-	19,507
Malaysia	-	7,939
Consolidated	4,630,161	23,240,865

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

NOTES TO THE FINANCIAL STATEMENTS
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26. Financial instruments, financial risks and capital management

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

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

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

26.1 Credit risk

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

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 2 (2015: 5) trade receivables from third parties amounting to $207,048 (2015: $3,305,705) which accounts for 50% (2015: 31%) of the total trade receivables as at the end of the financial year.

The Company has no significant concentration at credit risk as at 31 December 2016 (2015 : amount due from subsidiaries).

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

26.1 Credit risk (Continued)

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

	2016		2015	
Group	**Gross receivables $**	**Impairment $**	**Gross receivables $**	**Impairment $**
Current 1 to 30 days	198,865	-	2,320,483	-
Past due 31 to 60 days	41,151	-	283,052	-
Past due 61 to 90 days	12,109	-	94,836	-
Past due over 90 days	162,593	74,724	2,710,957	746,958

26.2 Foreign currency risk

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

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

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

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks. As at 31 December 2016 and 2015, there are no outstanding forward foreign currency contracts.

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

	2016 $	**2015 $**
Group		
Monetary assets		
Euro dollar	1,642	1,655
United States dollar	1,614	1,131,185
Malaysian ringgit	61	4,556
Monetary liabilities		
Euro dollar	-	95,140
Malaysian ringgit	5,780	217,116
United States dollar	56,225	33,406

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

26.2 Foreign currency risk (Continued)

Foreign currency sensitivity analysis

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

The following table details the Group's sensitivity to a 4% (2015: 4%) change in United States dollars against Singapore dollar. The sensitivity analysis assumes an instantaneous 4% (2015: 4%) change in the foreign currency exchange rates from the end of the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary item, which is denominated in United States dollar is included in the analysis.

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

	Group	
	2016	**2015**
	$	**$**
United States dollar		
Strengthen against Singapore dollar	(2,184)	43,911
Weaken against Singapore dollar	2,184	(43,911)

Sensitivity analysis is not shown for Euro dollar and Malaysian ringgit as the amounts are insignificant.

26.3 Interest rate risk

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

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

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

Interest rate sensitivity analysis

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

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

	Group	
	2016	**2015**
	$	**$**
Interest bearing liabilities	-	59,304

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

26.4 Liquidity risk

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

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

Contractual maturity analysis

	Within one financial year	After one financial year but within five financial years	Later than five financial years	Total
Group	**$**	**$**	**$**	**$**
2016				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	3,811,770	-	-	3,811,770
Interest-bearing liabilities				
Finance lease payables	6,312	6,266	-	12,578
	3,818,082	6,266	-	3,824,348
2015				
Financial liabilities:				
Non-interest bearing				
- Trade and other payables	11,033,491	-	-	11,033,491
- Amount due to a corporate shareholder	1,312,967	-	-	1,312,967
- Amount due to a Director of the Company	309,292	-	-	309,292
Interest-bearing liabilities				
- Finance lease payables	247,979	12,578	-	260,557
- Borrowings	15,002,895	-	-	15,002,895
	27,906,624	12,578	-	27,919,202

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

26.4 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year	After one financial year but within five financial years	Later than five financial years	Total
	$	$	$	$
Company				
2016				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	2,524,426	-	-	2,524,426
2015				
Financial liabilities				
Non-interest bearing				
- Trade and other payables	973,101	-	-	973,101
Corporate guarantee	15,112,035	-	-	15,112,035

The Group's and the Company's operations are financed mainly through equity, retained earnings and interest-bearing liabilities.

The repayment term of the interest-bearing liabilities are disclosed in Note 14 to these financial statements.

26.5 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and may raise capital from the equity market or obtain financial support from its Director and substantial shareholder of the Company if deemed necessary.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayments and interests) based on operating cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

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

26.6 Fair value of financial assets and financial liabilities

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

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

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

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

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

27. Non-consolidation of Subsidiary

During the financial year, the Company has decided not to consolidate JPS effective from 1 January 2016 even though the liquidation order was effective on 10 June 2016 due to limitation in accessing to the financial information as all the financial documents are handed over to liquidators of JPS and some financial documents are impounded by CAD (Note 2.2).

The effects on the consolidated financial statements arising from the non-consolidation of JPS were:

	Carrying amount $
Assets	
Property, plant and equipment	8,816,614
Intangible asset	2,761
Trade and other receivables	11,120,643
Inventories	8,090,064
Cash and cash equivalents	262,130
	28,292,212
Liabilities	
Trade and other payables	(8,903,032)
Amount due to a Director of the Company	(309,292)
Amount due to a corporate shareholder	(1,312,967)
Borrowings	(14,506,453)
Bank overdraft	
Deferred tax liability	(14,968)
Income tax payable	(75,376)
	(25,122,088)
Net identifiable assets	3,170,124

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

27. Non-consolidation of Subsidiary (Continued)

The effects of deconsolidation of subsidiary on cash flows are as follows:

	Carrying amount $
Net identifiable assets on deconsolidation (as above)	3,170,124
Loss on de-consolidation of subsidiary	3,170,124
Cash proceeds from deconsolidation of subsidiary	
Cash and cash equivalents	262,130
Bank overdraft	(302,364)
Net cash inflow on deconsolidation	(40,234)

28. Events subsequent to the reporting date

(a) The Scheme of Arrangement and Placement of New Shares of the Company

On 1 December 2016, the Company filed the Scheme of Arrangement ("SOA") Application to seek to effect a restructuring of its debts and liabilities. On 8 December 2016, the Company announced that the SOA Application was granted by the High Court of Singapore ("Court") on 7 December 2016 on, amongst others; (a) a meeting of creditors to be convened by 1 February 2017, (b) Ms Ee Meng Yen Angela of Ernst & Young Solutions LLP be appointed as chairman of the Court meeting, (c) a Moratorium to apply until 20 February 2017 or such other date pursuant to further order(s) of Court; with the Company at liberty to apply for an extension of the Moratorium, (d) in the event the SOA is approved at the Court Meeting, the Company shall be at liberty to apply that the SOA be approved by order of Court, with such modifications as are approved at the SOA meeting (if any), so as to be binding on the Company and its creditors and (e) the Company and its creditors shall be at liberty to apply for such further orders, or directions as necessary. The Moratorium applies to all proceedings against the Company, including but not limited to the winding up application by ANZ against the Company.

On 21 December 2016, the Company announced a proposed placement of 2,000,000,000 new ordinary shares ("Placement Shares") for an aggregate subscription amount of $1,000,000 in the Company in connection with the SOA pursuant to a binding conditional placement term sheet entered between the Company and Mr Lim Chwee Kim, a director and controlling shareholder of the Company ("Proposed Placement"). The Company intends to use up to 25% of the $1,000,000 for the payment of professional fees in relation to the Proposed Placement and the SOA and fund the Company's working capital to facilitate the restructuring, and the balance proceeds from the Proposed Placement to compromise in full all actual and contingent claims against the Company pursuant to the SOA.

On 2 February 2017, the Company announced that the SOA has been unanimously approved at the Court meeting convened on 1 February 2017.

On 16 February 2017, the Company announced the extension of time for the Moratorium has been granted by the Court to 31 March 2017.

On 22 February 2017, the Company announced that it had on 20 February 2017 filed an application for Court sanction of the SOA pursuant to Section 210(3AB)(c) (read with Section 210(4)) of the Act ("Sanction Application").

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

28. Events subsequent to the reporting date (Continued)

(a) The Scheme of Arrangement and Placement of New Shares of the Company (Continued)

On 27 February 2017 and 28 February 2017, the Company announced the signing of the Placement Agreement dated 24 February 2017 and the proposed issue of 513,253,613 new ordinary shares in the capital of the Company (the "Scheme Shares") under the Scheme (the "Proposed Scheme Share Issue").

On 16 March 2017, the Company announced that the Sanction Application was heard before the Court on 15 March 2017. The Court granted an order to sanction the Scheme ("Sanction Order") in accordance with Section 210(3AB)(c) (read with Section 210(4)) of the Act so as to be binding on the Company and the existing creditors of the Company.

On 27 March 2017, the Company announced it had on 22 March 2017 lodged a copy of the Sanction Order with the Accounting and Corporate Regulatory Authority of Singapore and the Sanction Order shall take effect on and from 22 March 2017 pursuant to Section 210(5) of the Act.

On 4 May 2017, the Company announced that it had on 3 May 2017 received the Listing and Quotation Notice from the Singapore Stock Exchange Securities Trading Limited ("SGX-ST") for the listing of, and quotation for the 2,000,000,000 Placement Shares and 513,253,613 Scheme Shares subject to the compliance with the SGX-ST's listing requirements and approval from shareholders of the Company being obtained at a general meeting to be convened. In addition, the SGX-ST requires the Placement Shares to be placed out within seven market days from the date of the extraordinary general meeting of the Company to be convened for the purpose of seeking the Company shareholders' approval for the allotment and issue of the Placement Shares and the Scheme Shares.

On 31 May 2017, the Company announced that at the extraordinary general meeting held on 31 May 2017, the allotment and issue of the Placement Shares and the Scheme Shares were duly approved by the Company shareholders. On 9 June 2017, the Company announced that the Proposed Placement has been completed and the Placement Shares have been allotted and issued to Mr Lim Chwee Kim, in accordance with the terms of the Placement Agreement. The Placement Shares were listed and quoted on the Catalist board of the SGX-ST on 14 June 2017.

On 19 July 2017, the Company announced the completion of the issue of the Scheme Shares following finalization of the adjudication of the proof of debts by the Scheme manager. A total of 513,253,595 Scheme Shares were allotted on 19 July 2017 with 18 Scheme Shares disregarded as fractions of a Scheme Share. The Scheme Shares were listed and quoted on the Catalist board of the SGX-ST on 21 July 2017. Following the completion of the Proposed Placement and Scheme Shares, the issued share capital of the Company has increased from 216,000,000 shares to 2,729,253,595 shares on 19 July 2017. Further, pursuant to the terms of the Scheme, the Company has issued payment of the Scheme consideration to the participating creditors for an aggregate amount of $750,000 to compromise in full all actual and contingent claims against the Company.

On 19 October 2017, the Company announced that payment to all the participating creditors has been made in accordance to the Scheme on 17 October 2017 and was accordingly a good discharge to the Company. The issuance of the Scheme Shares and payment of the Scheme Consideration to the participating creditors constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Accordingly, the Scheme has been completed.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 December 2016

28. Events subsequent to the reporting date (Continued)

(b) Use of Proceeds from the Placement of New Shares in the Company

On 19 July 2017, the Company announced that out of the gross proceeds from the placement of $1,000,000, $750,000 has been utilised towards the payment of the Scheme consideration to the participating creditors in accordance with the stated use of proceeds of the Placement.

On 30 September 2017, the Company announced that approximately $236,000 of the Placement Proceeds has been utilised to pay for the aforementioned professional fees on or around 29 September 2017, and the balance will be used to fund the Company's working capital.

(c) Investigations by Commercial Affairs Department

On 4 August 2016, the Company announced the investigations by the Commercial Affairs Department of the Singapore Police Force ("CAD") against Jason Sim on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). Jason Sim was interviewed by the CAD on 1 August 2016 and 2 August 2016 and was ordered to produce all documents concerning JPS and the Company, all personal mobile devices, all computers, laptops or other IT equipment used by him and surrender his travel documents to the CAD. On 16 September 2016, the Company announced that Mr New Sze Wei, an employee of JPS and Ms Amy Chan Mei Lin, a former employee of JPS were interviewed by the CAD in relation to its investigations against Jason Sim on 30 August 2016 and 9 September 2016 respectively. At the date of this report, the investigations are not yet completed. Accordingly, the directors of the Company are unable to determine if any significant adjustments may arise from the findings of the investigation to the accompanying financial statements.

STATISTICS OF SHAREHOLDINGS
AS AT 3 MAY 2018

Issued and fully paid-up share capital	:	S$10,926,168.595[(1)]
Number of shares	:	2,729,253,595
Class of shares	:	Ordinary shares
Voting rights	:	On a poll - One vote for each ordinary share

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

The Company does not have any treasury shares and subsidiary holdings.

SHARES HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 3 May 2018, approximately 22.81% of the issued ordinary shares of the Company were held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). This is in compliance with Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public.

DISTRIBUTION OF SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0	0	0.00
100 - 1,000	20	5.60	9,997	0.00
1,001 - 10,000	48	13.45	378,500	0.01
10,001 - 1,000,000	260	72.83	33,449,729	1.23
1,000,001 and above	29	8.12	2,695,415,369	98.76
	357	100.00	2,729,253,595	100.00

STATISTICS OF SHAREHOLDINGS
AS AT 3 MAY 2018

TWENTY LARGEST SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	LIM CHWEE KIM	2,042,800,000	74.85
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	123,412,875	4.52
3	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	121,082,946	4.44
4	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, SINGAPORE BRANCH	118,732,602	4.35
5	RAFFLES NOMINEES (PTE) LIMITED	103,345,699	3.79
6	JASON SIM CHON ANG	51,028,000	1.87
7	YAP KOON HONG	34,087,845	1.25
8	RADWELL PTE LTD	28,351,000	1.04
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,501,103	0.46
10	NEO KAH KIAT	9,797,000	0.36
11	DREW & NAPIER LLC	9,190,999	0.34
12	SIM CHOON JOO	5,400,000	0.20
13	SOH HOCK LEONG	3,700,000	0.14
14	TRICOR SINGAPORE PTE LTD	3,402,461	0.12
15	TAY PHAIK HOOI	3,232,000	0.12
16	KPMG SERVICES PTE LTD	2,791,595	0.10
17	NEW SZE WEI (LIANG SHIWEI)	2,688,313	0.10
18	CHOO MEE HUA	2,516,443	0.09
19	OCBC SECURITIES PRIVATE LIMITED	2,461,000	0.09
20	NAM LEONG CO PTE LTD	2,000,000	0.07
	Total	**2,682,521,881**	**98.30**

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Lim Chwee Kim	2,042,800,000	74.85	Nil	Nil

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **Jason Holdings Limited** (the "**Company**") will be held at Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948 on Monday, 28 May 2018 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditor's Report thereon. **(Resolution 1)**

2. To ratify the appointment of BDO LLP as Auditors of the Company for the financial year ended 31 December 2016 and to authorise the Directors to fix their remuneration. **(Resolution 2)**

3. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Auditor's Report thereon. **(Resolution 3)**

4. To note the retirement of Mr Jason Sim Chon Ang, a Director retiring pursuant to Article 98 of the Company's Constitution who would not be seeking for re-election.

5. To note the retirement of Mr Sim Choon Joo, a Director retiring pursuant to Article 98 of the Company's Constitution who would not be seeking for re-election.

6. To re-elect Mr Karam Singh Parmar, who is retiring pursuant to Article 98 of the Company's Constitution and has offered himself for re-election.

   Mr Karam Singh Parmar will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. **(Resolution 4)**

7. To re-elect Mr Tan Lai Heng, who is retiring pursuant to Article 98 of the Company's Constitution and has offered himself for re-election.

   Mr Tan Lai Heng will, upon re-election as Director of the Company, remain as a member of the Audit Committee, Nominating Committee, and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. **(Resolution 5)**

8. To re-elect Mr Wui Heck Koon, who is retiring pursuant to Article 98 of the Company's Constitution and has offered himself for re-election.

   Mr Wui Heck Koon will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. **(Resolution 6)**

9. To re-elect Mr Lim Chwee Kim, who is retiring pursuant to Article 102 of the Company's Constitution and has offered himself for re-election.

   Mr Lim Chwee Kim will, upon re-election as Director of the Company, re-designate as Executive Chairman of the Company and will be considered non-independent. **(Resolution 7)**

10. To approve the payment of Directors' fees amounting to S$95,000 for the financial year ended 31 December 2016. **(Resolution 8)**

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

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

12. **The Proposed Change of Auditors for Financial Year Ended 31 December 2017**

THAT:

Moore Stephens LLP ("**Moore Stephens**") be and is hereby appointed as auditors of the Company in place of BDO LLP to hold office until the conclusion of the next annual general meeting ("**AGM**") of the Company at a remuneration and on such terms to be agreed between the Directors and Moore Stephens.

The Directors and each of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary or expedient for the purposes of or in connection with and to give effect to this resolution.

[See Explanatory Note 1] **(Resolution 9)**

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

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

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

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

[See Explanatory Note 2] **(Resolution 10)**

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary

Singapore
11 May 2018

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Ordinary Resolution 9 is to approve the appointment of Moore Stephens LLP ("**Moore Stephens**") as auditors of the Company in place of the retiring auditors, BDO LLP ("**BDO**"), and to authorise the Directors to fix their remuneration.

   With limited resources available, the Board is of the view that a change of Auditors is in the best interests of the Company and its shareholders as the quantum of professional fees for the audit services proposed by other audit firms is more competitive. Furthermore, BDO, the retiring auditors, has served as external auditors of the Company since the financial year ended 31 December 2008. The Directors are of the view that a change of auditors would be a good corporate governance practice as it would enable the Company to benefit from fresh perspectives. Therefore, the Board is of the view that it would be in the interests of the Company to effect a change of auditors with effect from the financial year ended 31 December 2017. Accordingly, BDO will not be seeking re-appointment at the forthcoming AGM of the Company.

   The Audit Committee has reviewed and deliberated on the proposed change of auditors and has recommended that Moore Stephens be appointed in place of the retiring auditors, after taking into consideration the suitability of Moore Stephens and the requirements of Rules 712 and 715 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**").

   The Directors have taken into account the Audit Committee's recommendation, and considered factors such as the adequacy of the resources and experience of Moore Stephens, and the persons to be assigned to the audit, Moore Stephens' audit engagements, the size and complexity of the Company and its subsidiary and the number and experience of Moore Stephens' supervisory and professional staff to be assigned to the audit, and is satisfied that Moore Stephens will be able to meet the audit requirement of the Company. Accordingly, the Directors recommend the appointment of Moore Stephens as the auditors of the Company in place of the retiring auditors, BDO.

   BDO has confirmed that it is not aware of any professional reasons why Moore Stephens should not accept the appointment as auditors of the Company.

   The Company confirms that there were no disagreements with BDO on accounting treatments within the last 12 months. The Company confirms that it is not aware of any circumstances connected with the change of auditors that should be brought to the attention of the shareholders of the Company.

   The Company confirms that is has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Moore Stephens as auditors of the Company.

2. Ordinary Resolution 10 is to empower the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed 50% of the total issued shares at the time of the passing of this Resolution.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1 (a) A member of the Company, who is not a relevant intermediary, is entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

(b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascertained to it in Section 181 of the Act.

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

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

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

5 The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., either by hand at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or by post at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

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

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice. The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.*

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JASON HOLDINGS LIMITED
(Company Registration No: 201119167Z)
(Incorporated In the Republic of Singapore)

IMPORTANT:
1. 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**").

2. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 May 2018.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We*, ... (Name) ..... (NRIC/Passport No./Registration No.)
of ..... (Address)
being a member/members* of Jason Holdings Limited (the "**Company**"), hereby appoint:

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

and/or*

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "**Meeting**") as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Meeting of the Company to be held at Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948 on Monday, 28 May 2018 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the Meeting and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes For[(1)]**	**Number of Votes Against[(1)]**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditor's Report		
2	Ratification of appointment of BDO LLP as Auditors of the Company for the financial year ended 31 December 2016		
3	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2016 together with the Auditor's Report		
4	Re-election of Mr Karam Singh Parmar as Director of the Company		
5	Re-election of Mr Tan Lai Heng as Director of the Company		
6	Re-election of Mr Wui Heck Koon as Director of the Company		
7	Re-election of Mr Lim Chwee Kim as Director of the Company		
8	Approval of Directors' fees amounting to S$95,000 for the financial year ended 31 December 2016		
9	Proposed change of auditors for the financial year ended 31 December 2017		
10	Authority to allot and issue shares		

[(1)] If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ..... day of 2018

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

.....
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

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), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares 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 entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

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

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (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;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) 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 under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., either by hand at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or by post at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

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

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 May 2018.

General:

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