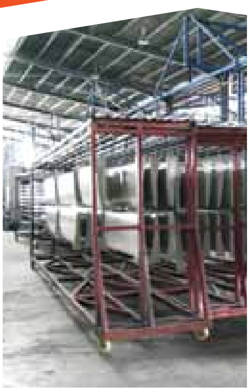

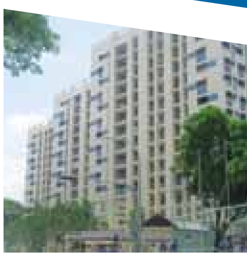

Annual Report 2014

Compact Metal Industries Ltd

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Compact Metal Industries Ltd
is an established manufacturer and marketer of aluminum extrusions.

Our core competencies are as follows:

- Design value-added fabrication and installation of aluminum windows, doors, space frames, skylights, grills, sun shades, curtain wall and aluminum cladding.
- Manufacturer of high-quality extruded aluminium sections for architectural and precision engineering.
- Manufacturer and assembly of proprietary design-based aluminum framing systems; of railings and louvers.
- Manufacturer of composite aluminum core panels for roofing and claddings.

Chairman's Statement

Dear Shareholders

For many years, the Group has been in the manufacturing and marketing of aluminium extrusions business. In recent years, the Group has been facing strong competition in the aluminium extrusion business and its profitability has been stagnating or even decreasing. The Group has also been on the lookout for business opportunities in sectors with good prospects for long term growth to broaden its revenue stream.

In November 2014, Mr. Chng Gim Huat, Chairman and Director of the company, had resigned. I and Mr. Zhang Zeng Tao have been appointed as Executive Chairman and Executive Director, and Executive Director and Managing Director of the Group respectively.

As the new management of the Group, we recommended to the Board and the Board approved to the diversification and investment into the Cement Business.

In this Cement Business, we will be involved in the production, sale and/or distribution of cement, focusing on expanding into the emerging markets in new territories of three board regions, namely those of Central Asia, Africa and South-East Asia as there are untapped business opportunities in these regions in the Cement Business as compared to developed countries where demand for cement has stagnated.

We strive to add value to our shareholders by diversifying for growth.

On 31 March 2015, the Group's shareholders approved the diversification into the Cement Business.

BUSINESS PERFORMANCE

FY2014 continue to be a challenging year for the Group. This is due to the highly competitive nature of this industry.

Revenue has decreased by 6% from $35.0 million for the year ended 31 December 2013 to $33.1 million for the year ended 31 December 2014. The decreased was due to lesser ongoing projects and decreased in revenue from aluminium related products.

In late 2011, the Group invested in AEL Enviro (Asia) Pte Ltd (AEL), a "green project" start-up company with a view of diversifying its business. However, this project was put on hold after completion of Phase 1 of the project. This is because the management had concerns with the likelihood of project delay and overruns in project costs. As a result, impairments was made to the assets of AEL which included the prepaid lease which was related to the leasehold land acquired for the construction of the plant, as well as the construction works and the prototype equipment.

As a result, the Group reported a loss before tax of $9.2 million in FY2014 from a profit before tax of $4.5 million in FY2013.

BUSINESS OUTLOOK

As at 31 December 2014, the Group has in hand order book of $36.6 million. The journey ahead will remain challenging, but we believe we can overcome the challenges by continuing to strengthen and build our core activities, raising efficiency and productivity.

As for the AEL Project, though the second phase is held in abeyance for the time being, AEL Project could be the third division and revenue stream for the Company if the Company is successful in attracting new investors to share in the project risks for the second phase of the AEL Project.

ACKNOWLEDGEMENTS

Firstly, I would like to thank my shareholders for their support to our new business during the EGM. I look forward to your continued support and confidence in Compact.

I would also like to take this opportunity to express my appreciation to my fellow Board members for their guidance and advice, and to our dedicated staff for their hard work as we diversify our business and transition for growth.
Yours sincercely

Ma Zhao Yang
Chairman

尊敬的各位股东

多年来，集团一直在铝型材制造和销售业务。近年来，本集团一直面临铝挤压业务的强劲竞争，其盈利能力一直停滞不前、甚至下降。本集团也一直在与长期增长、以扩大其收入来源、前景良好的领域寻找商机。

在2014年11月，Chng Gim Huat主席和董事辞了职。我获委任为行政主席兼执行董事，张增涛先生获委任为执行董事及本集团董事总经理。

作为集团新的管理，我们向董事会建议，同时董事也批准了扩展和投资水泥业务。

在这水泥业务，我们将参与生产、销售和/或水泥的分销，重点拓展在中亚、非洲和东南亚这三个新兴市场。因为这些地方与发达国家相比还有尚未开发的机会。

我们将努力通过扩展业务为股东增添价值。在2015年3月31，本集团得到了股东的认可和批准了扩展水泥业务。

经营业绩

2014财政年度继续充满了挑战。这是因为这个行业的高度竞争性。

营业收入下降了6%，营业收入从2013年的3500万元下降到了2014年的3305万元。下降是由于进行的工程项目减少和铝产品销售也下降。

在2011年底，因为扩展业务的观点，本集团投资了AEL ENVIRO（亚洲）私人有限公司（AEL）。这是一项"绿色工程"的创业公司。但是，这个项目的第一阶段完成后就被搁置了。这是因为管理层担心项目延迟和成本超支的可能性。其结果是，AEL的工厂建设，以及原型设备和租赁土地的预付租赁都全核销。

因此，本集团在2014财政年度税前亏损了920万元，而2013财政年税前利润是450万元。

业务展望

截至2014年12月31日，本集团在手头上的订单总价值为3660元。前路仍然充满挑战，但我们相信我们能够通过继续加强和建立我们的核心业务，提高效率和生产力来克服挑战。

至于AEL项目，虽然第二阶段暂时被搁置，但是如果公司能够成功地吸引新的投资者来分担风险，这项目在将来可能会成为第三个收入来源。

致谢

首先，我要感谢股东对我们新业务的支持。我期待着您继续对Compact的支持和信心。

我也想借此机会表达我感谢我的董事会成员的指导和建议、我们的员工辛勤的工作作为公司的业务转型增长。

马朝阳
主席

Board of Directors

Mr. Ma Zhao Yang

Mr. Zhang Zeng Tao

Mr. Chng Beng Hua

Mr. Kan Ah Chye

Ms. Lisa Sam Hui Min

MR. MA ZHAO YANG

is the Chairman and Executive Director of Compact Metal Industries Ltd. Mr. Ma, is currently a non-executive director of West China Cement Limited (WCC), a company listed on the Hong Kong stock exchange in 2010. WCC specialises in producing and distributing cement products and is one of the leading cement producers in Shaanxi Province.

Mr. Ma also holds directorships in listed companies in other countries and industries. Since 2009, Mr. Ma has been the chairman and director of Sino Vanadium Inc., a vanadium mining company listed on the TSX Venture Exchange in Canada but was privatised in 2012. He has also been acting as a non-executive director of Tiahua PLC, a pharmaceutical company listed on the London Stock Exchange since 2006.

Mr. Ma received a master's degree in management in May 1998 and a doctor's degree in management in April 2009 from Northwestern Polytechnic University (Shaanxi, China). He has also been an associate professor of management in the university since 1996.

MR. ZHANG ZENG TAO

is the Company's Executive Director and Managing Director. He has direct and relevant experience and management expertise in the cement business gained through his years as an employee of the WCC group of companies.

Mr. Zhang has taken on different roles in Yaobai Special Cement Group Co., Ltd (Yaobai), WCC's wholly-owned subsidiary from 2007 to 2014, where he has achieved extensive experience in the management of the Cement Business.

Mr. Zhang graduated in October 2011 from Xi'an Jiaotong University with a Master of Business Administration.

MR. CHNG BENG HUA

is the Executive Director cum Chief Executive Officer ("CEO") of the Company. He was also the Deputy Chairman until 19 April 2008. He is currently a member of the Nominating Committee. He holds a degree in Business Administration (Finance) from the University of Texas, Austin, U.S.A.. Mr Chng has many years of experience in finance and in real estate development business. Mr Chng is also an Independent Director of Hong Leong Finance Limited and a member of its Audit Committee.

MR. KAN AH CHYE

was appointed as an Independent Director on 5 May 2008. He holds an Honours Degree in Economics and Accounting from the University of Malaya. He was a corporate banker for over 25 years before his retirement. He also possesses experience in Investment Banking as well as property development. He is the Chairman of the Audit Committee and the Remuneration Committee and a member of the Nominating Committee. Mr Kan is also an independent director of Equation Corporation Ltd.

MS. LISA SAM HUI MIN

was appointed as an Independent Director on 31 October 2011. She is the Chairman of the Nominating Committee and a member of Audit Committee and Remuneration Committee. Ms Sam is the Managing Partner of Lisa Sam & Company and has a whole range of experience and practice on litigation and advisory matters. Ms Sam had previously practiced in both large-and medium-sized law firms in Singapore and had undertaken cases involving diverse areas of law such as agency law, constructive trusts, negotiable instruments, property law and company law, and building and construction disputes. Lisa was admitted as an advocate and solicitor of the Supreme Court in 1997 and is a barrister-at-law of England and Wales. She is a member of the Law Society of Singapore.

Turnover for the Project Division in year 2014 was **S$16.5 million** as compared to **S$17.0 million** in 2013. The Project Division has an order book of **S$35.7 million** as at 31st December 2014 with the majority of the secured projects are from HDB public housing projects.

Project Division

The public sector's largest developer, HDB has offered 28,300 residential units in 2014 and is expected to supply 26,000 residential units in 2015. With the announcement, the demand for aluminium windows and doors for the public sector construction is expected to remain buoyant. The private sector is likely to take a more cautious stance in terms of new construction investment in light of slower domestic economic growth and continued global economic uncertainties.

The Project Division will continue to focus on its core business of aluminium windows and doors for residential projects in both the public and private sectors.

PROJECTS COMPLETED IN 2014

1. The Greenwich V Condominium (Phase 2) at Yio Chu Kang Road
2. HDB project at at Hougang Neighbourhood 4 Contract 17
3. HDB project at Jurong West Neighbourhood 1 Contract 30
4. HDB project at Sengkang Neighbourhood 3 Contract 21 & Contract 22
5. HDB project at Woodlands Neighbourhood 1 Contract 19
6. HDB project at Jurong West Neighbourhood 5 Contract 15
7. HDB project at Bedok North Neighbourhood 6 Contract 17

ON-GOING PROJECTS IN 2015

1. HDB project at SengKang Neighbourhood 4 Contract 24
2. HDB project at Punggol East Contract 34
3. HDB project at Woodlands Neighbourhood 3 Contract 14
4. DBSS @ Pasir Ris One
5. HDB project at Kallang Whampoa Contract 20C
6. HDB project at Tampines Neighbourhood 8 Contract 30
7. HDB project at Toa Payoh Contract 8 A/B
8. HDB project at Ang Mo Kio Neighbourhood 4 Contract 25
9. HDB project at Queenstown Redevelopment Contract 25A
10. Executive Condominium @ CityLife
11. HDB project at Hougang Neighbourhood 4 Contract 20
12. HDB project at Choa Chu Kang Neighbourhood 8 Contract 6
13. HDB project at SengKang Neighbourhood 2 Contract 43A
14. HDB project at Yishun Neighbourhood 5 Contract 1
15. HDB project at Woodlands Neighbourhood 7 Contract 34
16. Palaccio Terrace Houses at Teluk Kurau Lorong M
17. HDB project at Woodlands Neighbourhood 6 Contract 22
18. HDB project at Punggol East Contract 35
19. HDB project at Bukit Batok Neighbourhood 4 Contract 13
20. HDB project at Woodlands Neighbourhood 6 Contract 6

The sales turnover for Aluminium Extrusion and Related Product Division was **S$16.5 million** for year 2014 **(FY 2013: S$17.9 million)**

Aluminium Extrusion & Related Products Division

THE ALUMINIUM EXTRUSION AND RELATED PRODUCT DIVISION HAVE EMBARKED ON THE FOLLOWING PROJECTS IN 2014:

1. HDB project at Yishun N5C2
2. LTA Contract C488 Marina South, C1338B – Bukit Panjang LRT, Bukit Gombak MRT and Kallang MRT
3. LTA Contracts ER396 Jurong West St 51/ Boon Lay/ Yuan Ching Road, ER201 Old Choa Chu Kang Road, ER401 Kallang, ER402 Fort Road & Mountbatten Road and ER417 Woodlands Ave 7
4. LTA Contracts RP270, RP272 & RP273 Roads Maintenance and RP268 Roads Upgrading
5. Condominium at Punggol Water Town
6. Commercial Building at 120 Collin Street, Australia

EXTRUSION PLANT AT PASIR GUDANG, JOHOR BAHRU

The Pasir Gudang Plant has been strategized to be a formidable force in the production of aluinium extruded sections serving both the local and overseas markets. The Plant has invested in a new re-smelting facility capable of producing quality secondary aluminium recycled billets to achieve a lower efficiency cost. This has greatly heighten our transformation of the Pasir Gudang Plant as the reliable and reputable One Stop Aluminium Extrusion provider in the Johor state.

FABRICATION PLANT AT SEDENAK, JOHOR BAHRU

The Sedenak Plant undertakes the intra -companies value-added fabrication works for the Compact Metal Group of companies. The plant is actively engaged and extending supports in the fabrication of aluminium windows, doors, curtain walls, cladding and roofing panels. This plant also render supports in the Fluorocarbon PVDF2 and Powder Coating process on the surface finishes of the aluminium extruded sections and aluminium panels.

TRADING HUB AT SINGAPORE

This is the trading arm of Compact Metal Group of companies dealing with various types and ranges of aluminium extrusion and related products. It engages in the sales of aluminium extrusions and aluminium panels for residential development projects, pedestrian safety railing to Land Transport Authority projects as well as for the export market of aluminium extruded sections and curtain wall frame-work system complete with glazing panel for overseas projects.

Key Executives

Mr. Zhang Zeng Tao

Mr. Por Choon Seng

Mr. Heng Fook Chang

Mr. Chng Beng Leong

Mr. Tang Thian Fook

Key Executives

MR. ZHANG ZENG TAO

is the Company's Executive Director and Managing Director. He has direct and relevant experience and management expertise in the cement business gained through his years as an employee of the WCC group of companies.

Mr. Zhang has taken on different roles in Yaobai Special Cement Group Co., Ltd (Yaobai), WCC's wholly-owned subsidiary from 2007 to 2014, where he has achieved extensive experience in the management of the Cement Business.

Mr. Zhang graduated in October 2011 from Xi'an Jiaotong University with a Master of Business Administration.

MR. POR CHOON SENG

is the Chief Operating Officer of Compact Metal Group of Companies. He oversees the day to day operations of Selaco Aluminium Berhad, Compact Metal Industries Sdn Bhd, Integrate Pte Ltd and Compact Metal Industries Ltd. He has more than 20 years marketing and operational experience in aluminium windows, doors, curtain walls, claddings and related aluminium architectural products. He holds a Bachelor and a Master degree in Civil Engineering from the National University of Singapore.

MR. HENG FOOK CHANG

is appointed as Chief Financial Officer ("CFO") of the group. He has the responsibility to oversee the finance and reporting function of the group. He has more than 10 years of experience in finance and accounting. He is a member of the Institute of Singapore Chartered Accountants.

MR. CHNG BENG LEONG

was appointed as Chief Administrative Officer on 01 November 2013. Mr Chng holds a degree in Computer Science from the University of Texas at Austin, U.S.A.. He is a director of several private limited companies with principal business in real estate.

MR. TANG THIAN FOOK

Is the General Manager of Compact Metal Industries Sdn. Bhd. (Kulai. Johore) subsidiary of Compact Metal Industries Ltd. He joined Compact Group in March 1990 with a Diploma in Architectural and has over 20 years experience in Aluminium Industry.

Corporate Structure

Singapore

100%
Compact Metal Ind. Pte Ltd

100%
Aluform Marketing Pte Ltd

100%
Integrate Private Limited

100%
Integrate Marketing Pte Ltd

100%
FacadeMaster Pte Ltd

70%
AEL Enviro (Asia) Pte. Ltd

Malaysia

100%
Compact Metal Industries Sdn. Bhd.

98.2%
Selaco Aluminium Berhad

Project

Aluminum Extrusion & Related Products

Develop prototype of equipment to generate electricity

Corporate Data

BOARD OF DIRECTORS

Ma Zhao Yang, Chairman (appointed on 13 November 2014)
Zhang Zeng Tao, MD (appointed on 13 November 2014)
Chng Gim Huat, Chairman (resigned on 10 November 2014)
Chng Beng Hua, CEO
Chng Beng Hock (NINED) (resigned on 10 November 2014)
Kan Ah Chye @ Kan Poh Thong (INED)
Lisa Sam Hui Min (INED)

AUDIT COMMITTEE

Kan Ah Chye @ Kan Poh Thong, Chairman
Lisa Sam Hui Min

NOMINATING COMMITTEE

Lisa Sam Hui Min, Chairman
Kan Ah Chye @ Kan Poh Thong
Ma Zhao Yang

REMUNERATION COMMITTEE

Kan Ah Chye @ Kan Poh Thong, Chairman
Lisa Sam Hui Min

COMPANY SECRETARIES

Ang Siew Koon
Heng Fook Chang

REGISTERED OFFICE

120 Pioneer Road
Singapore 639597
Tel : (65) 6863 3268
Fax : (65) 6863 3968

REGISTRAR

M&C Services Private Limited
112 Robinson Road #05-01
Singapore 069802

AUDITORS

KPMG LLP
Certified Public Accountants
Singapore
(Partner In-Charge : Mr Gerald Low, with effect from financial year ended 31 December 2012)
16 Raffles Quay #22-00
Hong Leong Building,
Singapore 048581

CONTENTS

Corporate Governance

The Board of Directors ("the Board") of Compact Metal Industries Ltd ("CMIL" or "the Company") believes that good corporate governance is essential to the long term sustainability of the Company's business and performance. The Company is committed to maintaining a high standard of corporate governance within the Group to ensure transparency, accountability and protection of shareholders' interest.

This report describes the Company's corporate governance practices and sets out the manner in which the Group has applied the principles and the extent of compliance with the guidelines as set out in the revised Code of Corporate Governance 2012 (the "Code"), and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). In the opinion of the Board, the Company has generally complied with the guidelines as set out in the Code during the financial year ended 31 December 2014 ("FY2014"). Where there are any deviations from the Code, appropriate explanations are provided.

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The Board oversees the Group's overall policies, strategies, key operational initiatives, performance and measurement, internal control and risk management. The Board has a list of reserved matters that requires the approval of the Board. The reserved matters include the following:-

- The Group's annual budget;
- Change in capital structure;
- Major funding;
- Acquisitions and disposal of assets;
- Mergers and joint ventures;
- Quarterly and full year results announcement;
- Interested person transactions of a material nature;
- Appointment of directors and key executives;
- Remuneration of the executive directors and key executives;
- Recommendation to the shareholders on the payment of non-executive directors' fee, re-election and re-appointment of directors, appointment and re-appointment of external auditors, payment of final dividend;
- Material announcements; and
- Corporate governance practices.

The Board meets on a regular basis and such scheduled meetings coincide with the announcement of the Group's quarterly results. In addition to the scheduled meetings, ad-hoc Board meetings are also convened as and when they are deemed necessary in between the scheduled meetings. There is a provision under Article 111 of the Company's Articles of Association for the Directors to convene meetings by way of tele-conference, video conference or other similar means. When a meeting is not possible, timely communication with members of the Board is achieved through electronic means and the circulation of written resolutions for approval by the relevant members of the Board.

To assist in the execution of its responsibilities and in the discharge of its oversight functions, the Board is supported by three Board Committees namely, the Nominating Committee, the Remuneration Committee and the Audit Committee. Each committee has its own set of written Terms of Reference which clearly spells out the objectives, duties, powers, responsibilities as well as qualifications for committee membership.

The attendance of each Board member at the meetings of the Board and Board Committees in respect of FY2014 are as follows:-

Name of Directors	Board	Audit Committee	Nominating Committee	Remuneration Committee
Ma Zhao Yang (1)	-	-	-	-
Zhang Zeng Tao (1)	-	-	-	-
Chng Gim Huat (2)	3	-	-	-
Chng Beng Hua	5	-	2	-
Chng Beng Hock (2)	4	4	-	1
Kan Ah Chye @ Kan Poh Thong	5	4	2	2
Lisa Sam Hui Min (Lisa Cen Huimin)	5	4	2	2
Number of meetings held	5	4	2	2

(1) Appointed on 13 November 2014

(2) Resigned on 10 November 2014

During the financial year, two new Directors were appointed. A formal letter of appointment was given to the newly appointed Directors explaining their duties and responsibilities. The newly appointed Directors were given briefing on the business activities and the governance practices of the Company. They also visited the plants/factories within the Group to understand the operations.

The Directors are encouraged to attend trainings and participate in seminars to continuously upgrade themselves, at the cost of the Company. If there is any change in the existing rules of the Listing Manual, Companies Act, the Code, the Directors will be updated by the secretary at the quarterly Board meeting. The Directors, who are members of the Audit Committee, will also be updated on any change in the financial reporting standards by the external auditors at the quarterly Audit Committee meeting.

Principle 2: Board Composition and Guidance

The Board comprises five Directors, two of whom are independent:-

Ma Zhao Yang – Executive Director and Chairman	(Appointed on 13 November 2014)
Zhang Zeng Tao - Executive Director and Managing Director	(Appointed on 13 November 2014)
Chng Gim Huat – Executive Chairman	(Resigned on 10 November 2014)
Chng Beng Hua – Executive Director cum Chief Executive Officer	
Chng Beng Hock – Non-Independent Non-Executive Director	(Resigned on 10 November 2014)
Kan Ah Chye @ Kan Poh Thong - Independent Director	
Lisa Sam Hui Min (Lisa Cen Huimin) - Independent Director	

The criterion of independence is based on the guidelines provided by the Code. The independence of each Independent Director is assessed at least annually by the Nominating Committee. The Board's composition, size and balance are also reviewed annually by the Nominating Committee to ensure that the Board has the core competencies for effective decision-making. The Board comprises individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge.

The Company maintains a satisfactory independent element on the Board by having two Independent Directors out of a total of five Board members. It is in compliance with the Guideline 2.1 of the Code where at least one-third of the Board has to be independent. As the Company's Chairman is not an Independent Director, pursuant to the Code, half of the Board has to be independent. Accordingly, the Company is aware of the requirement and undertakes to make the necessary board composition changes by the stipulated deadline. The Company has to meet the requirement at its annual general meeting following the end of the financial year commencing on or after 1 May 2016.

Corporate Governance

Principle 3: Chairman and Chief Executive Officer

During the major part of the financial year (up till 10 November 2014), Mr Chng Gim Huat was the Executive Chairman and Mr Chng Beng Hua was the Chief Executive Ofifcer. The roles of the Chairman and CEO are separate and their responsibilities are clearly defined to ensure a check and balance of power and authority.

The Chairman will, amongst other responsibilities, lead the Board, ensure effective communication with shareholders, encourage constructive relationship between the Board and the Management, as well as between the Board members, and promote high standards of corporate governance. The CEO manages the business of the Company and implements the Board's decisions.

In view of the father and son relationship between the Chairman and the CEO, the Board has appointed Mr Kan Ah Chye @ Kan Poh Thong as the Lead Independent Director. Shareholders with concerns may contact the Lead Independent Director directly, when contact through the normal channel via the Chairman and the CEO has failed to provide a satisfactory resolution or when such contact is inappropriate.

Mr Chng Gim Huat resigned as a Director and Executive Chairman on 10 November 2014 subsequent to the disposal of certain portion of his shareholding to Mr Ma Zhao Yang. Mr Ma Zhao Yang was appointed on 13 November 2014 as a Director and Executive Chairman. Mr Ma Zhao Yang has no family ties with Mr Chng Beng Hua.

Principle 4: Board Membership

The Nominating Committee (“NC”), regulated by a set of written terms of reference endorsed by the Board, comprises a majority of independent directors including its Chairman:

Lisa Sam Hui Min (Lisa Cen Huimin) – Chairman, Independent Director	
Kan Ah Chye @ Kan Poh Thong – Member, Independent Director	
Chng Beng Hua – Member, Non-Independent, Non-Executive Director	(resigned on 13 November 2014)
Ma Zhao Yang – Member, Non-Independent, Executive Director	(appointed on 13 November 2014)

The functions of the NC include, amongst others:

(a) Reviewing and recommending the (i) Board succession plans of the Directors, in particular the Chairman and CEO, (including Independent Directors) taking into consideration each Director’s contribution and performance; (ii) the development of a process for evaluation of the performance of the Board of Directors, the board committees and Directors; (iii) the review of training and professional development programmes for the Board of Directors; (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(b) Reviewing annually the composition of the Board to ensure that our Board has an appropriate balance of expertise, skills, attributes and abilities;

(c) Determining annually whether or not a Director is independent in accordance with the Code and any other salient factors;

(d) Reviewing and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(e) Reviewing and approving of any new employment of related persons and the proposed terms of their employment; and

(f) Evaluating the performance and effectiveness of the Board as a whole.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of his or her re-election as Director.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates. Based on the profile submitted, the NC will meet with the candidate for a chat to have a better understanding of the candidate. The NC will consider amongst others, the qualification, experience and qualities of the candidate and the requirement of the Board at that point in time. This is to ensure that the Board comprises members with different expertise and perspectives having come from different background, for a more balanced Board.

Pursuant to Article 100 of the Company's Articles of Association ("AoA"), every Director is required to retire from office once every three years. The AoA also provides that one-third of the Directors have to retire at the Annual General Meeting ("AGM").

Mr Ma Zhao Yang and Mr Zhang Zeng Tao were newly appointed during the year. Pursuant to Article 104 of the Article of Association, they will have to retire at the forthcoming Annual General Meeting. Pursuant to Article 100, Mr Kan Ah Chye @ Kan Poh Thong shall retire at the forthcoming Annual General Meeting by rotation. These three Directors, being eligible, have offered themselves for re-election. In this regard, the NC, having considered the attendance and participation of the Directors at the Board and Board Committee meetings, in particular, their contribution to the business and operations of the Company, has recommended their re-election.

The NC has determined that the maximum number of listed company board representations which any Director of the Company may hold is five. All Directors have complied with this guideline

None of the Independent Directors had served on the Board for more than 9 years.

The NC was unable to fill the vacancy in the RC and AC as a result of the resignation of Mr Chng Gim Huat and Mr Chng Beng Hock and the appointment of Mr Ma Zhao Yang and Mr Zhang Zeng Tao. This is because after the Board changes, the Board is comprised of two Independent Directors and 3 Executive Directors. The Executive Directors cannot be nominated to the RC and AC. The NC is aware that the vacancy in the AC has to be filled within a three-month period. However, in view of the following reasons, the NC, with the concurrence of the Board, has put on hold the nomination of the candidate:-

The Company was trying to close the deal on its proposed placement to SL Capital Ventures Pte Ltd in December 2014; In January 2015, the Company has focused its efforts to prepare the Circular to shareholders for clearance; and The Placee has the right to nominate 1 person for appointment as non-executive Director of the Company and the nominated Director is intended to fill the vacancy in the AC.

Principle 5: Board Performance

The Board acknowledges the importance of a formal assessment of Board performance. It has adopted a formal system of evaluating Board performance with the use of evaluation forms to assess the effectiveness of the Board and Board Committees and the contribution by each Director. All Directors are required to complete the evaluation questionnaire annually. The company secretary compiles the Directors' responses to the evaluation forms into a consolidated report. The report is reviewed at the NC meeting and then reported to the Board.

The evaluation of the Board's performance as a whole deals with matters on Board composition, information flow to the Board, Board procedures and Board accountability. The criteria for the evaluation of individual director include amongst others, attendance at meetings, directors' duties and know-how and interaction with fellow directors. The Board Committees' evaluation deals with the efficiency and effectiveness of each committee in assisting the Board. And finally, the evaluation of the Board covers the Board contribution to the testing and development of strategy, ensuring effective risk management, the Board's response to problems and crisis, etc.

The evaluation of Board performance is conducted annually to identify areas of improvement and as a form of good Board management practice. The performance evaluation for FY2014 was conducted in February 2015 and the results were presented to the NC for discussion. The NC was satisfied that the Board had been effective as a whole and that each and every Director had contributed to the effective functioning of the Board and the Board Committees. In addition, the NC was also satisfied that sufficient time and attention had been given by the Directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.

Principle 6: Access to Information

Board members are provided with complete, adequate and timely information on Board affairs and issues that require the Board's attention and decision. All Directors have independent access to the Group's senior management and the company secretary. All Directors are provided with adequate information prior to Board Meetings and on an ongoing basis. The information provided includes, amongst others, background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements.

As a general rule, board papers are sent to Directors one week in advance in order for Directors to be adequately prepared for the meeting. As and when there are important matters that require the Directors' attention, the information will be furnished to the Directors as soon as practicable.

The company secretary and her assistant provide secretarial support to the Board which includes attendance at Board and Board Committee meetings, ensuring that meeting procedures are followed and that the relevant rules and regulations of the Companies Act and the Listing Manual of the SGX-ST ("Listing Manual") which are applicable to the Company are adhered to.

Pursuant to the Company's AoA, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

If the Directors need independent professional advice to fulfill their duties, such advice will be obtained from the professional entity approved by the Board and the cost of such professional advice will be borne by the Company.

B. Remuneration Matters

Principle 7: Procedures for developing remuneration policies
Principle 8: Level and mix of remuneration
Principle 9: Disclosure on remuneration

The Remuneration Committee ("RC"), regulated by a set of written terms of reference endorsed by the Board, comprises a majority of independent directors including its Chairman:

Kan Ah Chye @ Kan Poh Thong – Chairman, Independent Director
Lisa Sam Hui Min (Lisa Cen Huimin) – Member, Independent Director
Chng Beng Hock – Member, Non-Independent, Non-Executive Director (resigned on 10 November 2014)

The role of the RC is to review and recommend to the Board, in consultation with the Chairman of the Board, a framework of remuneration for the Directors and key executives of the Group, and to determine specific remuneration packages for each executive director. The RC's objective is to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate directors and key executives.

The RC had recommended an amount of S$103,000 as Directors' fees to be paid to the Independent/Non Executive Directors for the financial year ending 31 December 2015. The Board had concurred with the RC's recommendation and this resolution has been tabled for shareholders' approval at the Company's forthcoming AGM. Each of the RC members had abstained from deliberating and voting on their remuneration.

Disclosure on Remuneration

Due to competitive reason, the Board has decided against disclosing the remuneration figures of the Directors to the nearest one thousand as prescribed in the Code.

A breakdown showing the level and mix of each individual Director's remuneration (in bands of S$250,000) for the year ended 31 December 2014 is disclosed in the table below:

Name of Director	Remuneration Band	Salary %	Bonus %	Directors' Fees %	Total %
Chng Gim Huat (resigned on 10 November 2014)	**$0 - $249,999**	100	-	-	100
Chng Beng Hua	**$250,000 - $499,999**	90	10	-	100
Kan Ah Chye @ Kan Poh Thong	**$0 - $249,999**	-	-	100	100
Chng Beng Hock (resigned on 10 November 2014)		-	-	100	100
Lisa Sam Hui Min (Lisa Cen Huimin)		-	-	100	100
Ma Zhao Yang (appointed on 13 November 2014)		91	9	-	100
Zhang Zeng Tao (appointed on 13 November 2014)		91	9	-	100

Remuneration Bands of top four key executives (who are not directors)

Name of Executive	Remuneration Band	Salary %	Bonus %	Total %
Heng Fook Chang	$0 - $249,999	91	9	100
Por Choon Seng		91	9	100
Chng Beng Leong[(1)]		90	10	100
Tang Thian Fook		89	11	100

Notes:

(1) Mr Chng Beng Leong is the brother of Mr Chng Beng Hua

(2) The Company only have four key executives in 2014

Notwithstanding Guidelines 9.3 of the Code, the Company is disclosing the renumeration of only four (4) key executives because the Company had only such a number of personnel who had been determined to be key executives.

For financial year ended 2014, the aggregate total remuneration paid to the top 4 key management personnel amounts to S$464,000.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

In the discharge of its duties to the shareholders, the Board seeks to provide shareholders with an analysis, explanation and assessment of the Group's performance, financial position and prospects when reporting quarterly and full year financial results.

All the Directors are provided with management accounts and such explanation and information on a quarterly basis. Invitations have also been extended to all the Directors to attend the discussion of the quarterly results.

Principle 11: Risk Management and Internal Controls

Risk Management

The Board had assessed and decided not to established a separate Board Risk Committee to carry out its responsibility of helping the Board in the overseeing of the Group's risk management framework and policies. Instead, this responsibility is assumed by the Audit Committee.

The Company had engaged an external consultant to assist the Management in the setting up of the Enterprise Risk Management ("ERM") system and framework. The ERM system and framework established would be embedded in the internal control system of the Group.

Internal Controls

The Board recognizes the importance of maintaining a sound system of internal controls to safeguard the shareholders' interest and investments and the Group's assets. The Board recognizes that no cost effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has internal control systems and processes which it considers to be sufficient having regard to the size of the Group and the complexity of its operations. The Board has also received assurance from the CEO and the Chief Financial Officer ("CFO") confirming that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) the Company's risk management and internal control systems are effective.

Based on the internal controls established and maintained by the Group, work performed by the external auditors, reviews performed by the Management, various Board Committees and the Board, and the assurance from the CEO and the CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls addressing key financial, operational, compliance, and risk management systems were adequate and effective as at 31 December 2014. The Group will review its internal control systems and processes on an on-going basis and make further improvements when necessary.

Principle 12: Audit Committee ("AC")

The AC comprises the following Directors, all of whom are non-executive and the majority of whom, including the Chairman of the AC are independent:

Kan Ah Chye @ Kan Poh Thong – Chairman, Independent Director
Lisa Sam Hui Min (Lisa Cen Huimin) – Member, Independent Director
Chng Beng Hock – Member, Non-Independent Non-Executive Director (resigned on 10 November 2014)

The AC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the AC include:

(a) reviewing with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;

(b) reviewing the financial statements of the Company including quarterly and full year results before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;
(c) reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the external auditors also supply a substantial volume of non-audit services to

the Company, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(d) reviewing the internal control procedures and ensure co-ordination between the external auditors and our management, and review the assistance given by our management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss in the absence of our management at least annually;

(e) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;

(f) reviewing the independence and objectivity of the external auditors annually;

(g) considering the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

(h) reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(i) reviewing potential conflicts of interest, if any;

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

(k) generally undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

The AC met 4 times during the financial year. The meetings were attended by the CEO, the CFO and the external auditors on the invitation of the AC. During these meetings the consolidated quarterly and full year financial statements of the Group, including announcements to the SGX-ST were reviewed by the AC prior to submission to the Board for adoption. The AC also met the external auditors once during the financial year without the presence of the Management. The AC has full access to and the co-operation of the Management. The external auditors have unrestricted access to the AC.

The AC had reviewed the non-audit services performed by the external auditors for FY2014 and was of the opinion that the provision of such services had not affected the independence of the external auditors. The external auditors had affirmed their independence in this respect.

The aggregate amount of fees paid / payable by the Group to the Company's external auditors are as follows:-

	Financial Year Ended 31 December 2014 S$'000
Audit Services	243
Non-audit Services	10
	253

The AC has recommended the re-appointment of KPMG LLP as the Company's external auditors for the financial year ending 31 December 2015 for shareholders' approval at the forthcoming AGM of the Company.

The Company has appointed KPMG LLP Singapore as the auditors of all significant incorporated subsidiaries except the following Singapore incorporated subsidiaries and other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries:-

- Compact Metal Ind. Pte Ltd

- Aluform Marketing Pte Ltd
- FacadeMaster Pte Ltd
- Integrate Marketing Pte Ltd
- AEL Enviro (Asia) Pte Ltd.

Both the AC and Board had reviewed the appointment of different auditors for the subsidiaries and were satisfied that the appointment of different auditors had not compromised the standard and effectiveness of the audit of the Company and the Group.

The Company also confirmed that foreign-incorporated subsidiaries which were audited by auditors other than KPMG LLP were not significant subsidiaries as defined in the SGX-ST Listing Manual.

The Company has complied with Rule 712 and Rule 715 or 716 in relation to its auditors.

In addition, the AC reviewed interested person transactions in accordance with Chapter 9 of the SGX-ST's Listing Manual to satisfy itself that the terms of the transactions are on an arms' length basis.

The Management has put in place a whistle-blowing policy duly endorsed by the AC and approved by the Board where employees of the Group are aware of and can access the appropriate person to raise concerns about possible improprieties in matters of financial management and reporting or other matters.

Principle 13: Internal Audit

The internal audit function of the Company is outsourced to an external consulting firm, who has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC approved the hiring, removal, evaluation and compensation of the consulting firm. Based on risk assessment performed, greater emphasis and appropriate internal review are planned for high risk areas and material internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities. The internal audit plans are reviewed and approved by the AC annually.

The Internal Audit methodology adopted by our internal auditors is consistent with the requirements of The Institute of Internal Auditors.

The AC is satisfied that the Internal Audit Function is adequately resourced and is independent of the activities it audits.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders

The Company values transparent and timely communication with the shareholders. To ensure that shareholders are kept informed of the Group's development and performance, timely and adequate disclosure is made to the public via the SGXNET in compliance with SGX-ST guidelines.

Principle 16: Conduct of Shareholder Meetings

Participation of shareholders is encouraged at the Company's general meetings. The Board of Directors (including the Chairman of the respective Board committees), the Management, as well as the external auditors will attend the Company's AGM to address any questions that the shareholders may have. The minutes of the general meetings will be made available to the shareholders upon request.

ADDITIONAL INFORMATION

E. DEALING IN SECURITIES

The Company has adopted an internal compliance code that meets the requirement of Rule 1207(19) of the SGX-ST's Listing Manual with respect to dealings in securities by Directors and key executives of the Group. Directors and key executives who have access to price-sensitive, financial or confidential information are prohibited to deal in the Company's shares during the period commencing two weeks before quarterly announcement and one month before the full year announcement, as the case may be, and ending on the date of announcement of such financial results.

The Directors and key executives of the Group are also required to observe insider trading laws at all times even when dealing in securities within permitted trading period. In addition, the Directors and key executives of the Group are discouraged from dealing in the Company's securities on short term considerations.

F. INTERESTED PERSON TRANSACTIONS

The AC and Board reviewed all interested party transactions for the financial year ended 31 December 2014 and was satisfied that the aggregate value of the transactions is below the threshold level as set out in the SGX-ST's Listing Manual and do not require announcement or shareholders' approval.

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transaction less than $100,000)
	Nil	Nil

G. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Board or controlling shareholders during the financial year that is required to be disclosed under Rule 1207(8) of the SGX-ST Listing Manual.

USE OF PROCEEDS

The Company had net proceeds from a rights issue of approximately $18.3 million in 2013. As at 31 December 2014, the Company has not utilized these proceeds.

Properties Held as at 31 December 2014

Owned by	Location & description of property	Tenure	Land Area (sq. metres)	Built-up (sq. metres)
Compact Bricks Sdn Bhd	Lands, bricks and aluminium factories located off the 50km of Johor Bahru (Air hitam main road Mukim of sedenak), Johor, Malaysia.	21 years till 30/10/2021		
	- PTD 7923 HS (D) 48618 - Bricks factory [1]		-	8,016
	- PTD 7923 HS (D) 48618 - Land[1]		40,469	-
	- PTD 7924 HS (D) 48619 - Aluminium factory		-	17,982
	- PTD 7924 HS (D) 48619 - Land[2]		161,874	-
Compact Bricks Sdn Bhd	Land held under H.S.(M) 2388 PTD 6956 Mukim of Sedenak, Kulai, Johor, Malaysia.	99 years till 11/04/2085	8,094	-
Compact Metal Industries Sdn Bhd	3 room walk up apartment at Parcel No 3-5B2, Level 3, Block B, Taman Cheng Ria, Malacca. PT 346 and 348, HS(D) 23952 and 23954 Mukim of Bertam, District of Melaka Tengah, Malaysia.	99 year till 27/09/2092	-	80
Selaco Aluminium Bhd	Industrial land and building at Plo 280, Jalan Timah Pasir Gudang Industries Estate, Johor. Mukim of Plentong, Lot PTD 22767,HS(D) 238671, Malaysia.	60 years till 23/03/2040	8,094	5,538
Selaco Aluminium Bhd	Industrial land & building at Plo 248, Jalan Timah Pasir Gudang Industrial Estate, Johor. Mukim PTD 84902 HS(D) 153369, Malaysia.	60 years till 16/01/2049	4,047	2,530
Selaco Aluminium Bhd	One unit single storey intermediate terrace house at No. 3 Jalan 10/3, Perjiranan 10, Pasir Gudang, Johor. HS(D) 69535, Lot PTD 64640, Mukim of Plentong, Malaysia	99 years till 06/05/2082	143	92
Selaco Aluminium Bhd	8 units of terrace house at Taman Mawar, Pasir Gudang, Johor. Lot PTD 110688 to 110695, Mukim of Plentong, Malaysia.	99 years till 03/02/2092	1 Unit of 306 M² & 7 Units of 143 M² per unit	85.65 M² per unit
Selaco Aluminium Bhd	BI-05-01,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46150 Petaling Jaya Selangor, Malaysia.[1]	99 years till 17/07/2091	-	72
Selaco Aluminium Bhd	BI-05-03,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9,46100 Petaling Jaya Selangor, Malaysia.[1]	99 years till 17/07/2091	-	70
Selaco Aluminium Bhd	BI-05-05,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46100 Petaling Jaya Selangor, Malaysia.[1]	99 years till 17/07/2091	-	74
Selaco Aluminium Bhd	BI-05-07,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46100 Petaling Jaya Selangor, Malaysia.[1]	99 years till 17/07/2091	-	48
Selaco Aluminium Bhd	BI-05-09,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46100 Petaling Jaya Selangor, Malaysia.[1]	99 years till 17/07/2091	-	71

Properties Held as at 31 December 2014

Owned by	Location & description of property	Tenure	Land Area (sq. metres)	Built-up (sq. metres)
Selaco Aluminium Bhd	BI-05-11,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46100 Petaling Jaya Selangor, Malaysia.(1)	99 years till 17/07/2091	-	75
Selaco Aluminium Bhd	BI-05-13,Pusat Dagang Setia Jaya, No.9, Jalan PJS 8/9, 46100 Petaling Jaya Selangor, Malaysia.(1)	99 years till 17/07/2091	-	82
Selaco Aluminium Bhd	Shop department at No. F-1-46B, Jalan PJU 10/10F, Saujana Damasara, PJU 10, 47830 Petaling Jaya, Selangor, Malaysia.	99 years till 16/08/2100	-	62
Selaco Aluminium Bhd	Condo Unit 1.02, Sinaran Ukay Condominium, Jalan BU 1/1, Taman Bukit Antarabangsa, 68000 Ampang, Selangor, Malaysia.	99 year till 03/08/2098	-	106
Selaco Aluminium Bhd	Apartment at H.S (D) 104168, P.T 33358, Mukim of Sungai Buloh, District of Block D, Parcel no 308, Selangor, Malaysia.(1)	99 year till 25/07/2095	-	92
Ratus Project Sdn Bhd	MLO 9009, HSD 15955, Mukim of Plentong, District of Johor Bahru, Johor, Malaysia.	Freehold	2,841	-

Notes:

(1) Properties and land to be disposed of after 31 December 2014

(2) Approximately 120,147 sq. metres of the land to be disposed of after 31 December 2014

Directors' Report

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

Directors

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

Ma Zhao Yang	(Appointed on 13 November 2014)
Zhang Zeng Tao	(Appointed on 13 November 2014)
Chng Beng Hua	
Kan Ah Chye @ Kan Poh Thong	
Lisa Sam Hui Min (Lisa Cen Huimin)	

Directors' interests

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ma Zhao Yang		
S$ ordinary shares		
Compact Metal Industries Ltd		
- interest held	–	117,500,000
Zhang Zeng Tao		
S$ ordinary shares		
Compact Metal Industries Ltd		
- interest held	–	117,500,000
Chng Beng Hua		
S$ ordinary shares		
Compact Metal Industries Ltd		
- interest held	4,800,000	9,500,000
- deemed interests	2,200,000	5,000,000

By virtue of Section 7 of the Act, all of the above directors are deemed to have interests in the other subsidiaries of Compact Metal Industries Ltd, all of which are wholly-owned, at the beginning and at the end of the financial year.

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

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

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 33 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

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

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

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

Audit Committee

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

Kan Ah Chye @ Kan Poh Thong	(Chairman), Independent, Non-Executive Director
Lisa Sam Hui Min (Lisa Cen Huimin)	Independent, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee met during the financial year to discuss the scope of work of the statutory auditors, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee reviewed the assistance provided by the Company's officers to the statutory auditors. The quarterly financial information and annual financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the directors of the Company for adoption. The Audit Committee also reviewed the interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

Directors' Report

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

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

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

Auditors

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

On behalf of the Board of Directors

Ma Zhao Yang
Director

Chng Beng Hua
Director

27 March 2015

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 32 to 87 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

Ma Zhao Yang
Director

Chng Beng Hua
Director

27 March 2015

Independent Auditors' Report

Members of the Company
Compact Metal Industries Ltd

Report on the financial statements

We have audited the accompanying financial statements of Compact Metal Industries Ltd ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 87.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2015

Statements of Financial Position

As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	4	9,661	13,253	232	210
Investment properties	5	94	639	–	–
Subsidiaries	6	–	–	2,720	9,531
Long-term receivables	7	3,961	4,291	3,660	3,901
Prepaid lease	14	–	3,857	–	–
		13,716	22,040	6,612	13,642
Current assets					
Inventories	8	12,123	12,820	1,177	1,484
Trade and other receivables	10	8,402	7,720	27,645	48,641
Other investments	11	2	3	1	1
Cash and cash equivalents	12	33,480	33,621	29,244	29,592
Assets held for sale	13	1,746	1,196	–	–
		55,753	55,360	58,067	79,718
Total assets		69,469	77,400	64,679	93,360
Equity attributable to equity holders of the Company					
Share capital	15	131,094	129,102	131,094	129,102
Capital reserve	16	404	404	–	–
Revaluation reserve	16	2,779	2,714	–	–
Currency translation reserve	16	(4,139)	(3,779)	–	–
Accumulated losses		(70,820)	(63,171)	(108,578)	(78,598)
		59,318	65,270	22,516	50,504
Non-controlling interests	17	(3,092)	(372)	–	–
Total equity		56,226	64,898	22,516	50,504
Non-current liabilities					
Loans and borrowings	18	30	62	30	59
Long-term payables	19	674	802	618	1,279
Deferred tax liabilities	20	297	349	–	–
		1,001	1,213	648	1,338
Current liabilities					
Trade and other payables	22	7,219	7,410	36,771	37,946
Provision for warranties	23	992	951	721	670
Loans and borrowings	18	3,700	1,559	3,697	1,539
Deferred revenue	21	–	804	–	803
Current tax payable		331	565	326	560
		12,242	11,289	41,515	41,518
Total liabilities		13,243	12,502	42,163	42,856
Total equity and liabilities		69,469	77,400	64,679	93,360

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

Consolidated Statement of Profit or Loss

As at 31 December 2014

Consolidated statement of profit or loss

	Note	2014 $'000	2013 $'000
Revenue	24	33,052	35,017
Other income		2,211	7,631
Changes in inventories of work-in-progress and finished goods		(3,075)	(328)
Raw materials and consumables used		(12,827)	(13,360)
Staff and related costs		(9,549)	(12,710)
Depreciation including impairment charge of property, plant and equipment		(5,667)	(1,061)
Other operating expenses		(13,418)	(10,673)
Results from operating activities		(9,273)	4,516
Finance income	25	129	65
Finance costs	25	(58)	(72)
Net finance income/(costs)		71	(7)
(Loss)/profit before tax	26	(9,202)	4,509
Tax expense	27	(210)	(168)
(Loss)/profit for the year		(9,412)	4,341
(Loss)/profit attributable to:			
Owners of the parent		(6,692)	4,743
Non-controlling interests		(2,720)	(402)
(Loss)/profit for the year		(9,412)	4,341
(Loss)/earnings per share (cents)			
- basic	28	(0.86)	1.55
- diluted	28	(0.86)	0.76

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2014

	Note	2014 $'000	2013 $'000
(Loss)/profit for the year		(9,412)	4,341
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net surplus on revaluation of property, plant and equipment	4	296	30
Tax on net surplus on revaluation of property, plant and equipment		(71)	(7)
		225	23
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on monetary items forming part of net investment in foreign operations		(250)	(476)
Translation differences relating to financial statements of foreign subsidiaries		(110)	108
		(360)	(368)
Other comprehensive income for the period, net of income tax		(135)	(345)
Total comprehensive income for the year		(9,547)	3,996
Total comprehensive income attributable to:			
Owners of the parent		(6,827)	4,401
Non-controlling interests		(2,720)	(405)
Total comprehensive income for the year		(9,547)	3,996

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2014

	Note	Share capital $'000	Capital reserve $'000	Revaluation reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total $'000
At 1 January 2013		110,770	404	3,781	(3,414)	(69,004)	42,537	33	42,570
Total comprehensive income for the year									
Profit for the year		–	–	–	–	4,743	4,743	(402)	4,341
Other comprehensive income									
Exchange differences on monetary items forming part of net investment in foreign operations		–	–	–	(476)	–	(476)	–	(476)
Realisation of revaluation reserve		–	–	(1,090)	–	1,090	–	–	–
Net surplus on revaluation on property, plant and equipment	4	–	–	30	–	–	30	–	30
Translation differences relating to financial statements of foreign subsidiaries		–	–	–	111	–	111	(3)	108
Tax on other comprehensive income		–	–	(7)	–	–	(7)	–	(7)
Total other comprehensive income		–	–	(1,067)	(365)	1,090	(342)	(3)	(345)
Total comprehensive income		–	–	(1,067)	(365)	5,833	4,401	(405)	3,996
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Rights issue of shares		18,323	–	–	–	–	18,323	–	18,323
Issues of shares from warrants exercised		9	–	–	–	–	9	–	9
Total contributions by and distribution to owners		18,332	–	–	–	–	18,332	–	18,332
Total transactions with owners		18,332	–	–	–	–	18,332	–	18,332
As at 31 December 2013		129,102	404	2,714	(3,779)	(63,171)	65,270	(372)	64,898

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2014

	Note	Share capital $'000	Capital reserve $'000	Revaluation reserve $'000	Currency translation reserve $'000	Accumulated losses $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total $'000
At 1 January 2014		129,102	404	2,714	(3,779)	(63,171)	65,270	(372)	64,898
Total comprehensive income for the year									
Loss for the year		–	–	–	–	(6,692)	(6,692)	(2,720)	(9,412)
Other comprehensive income									
Exchange differences on monetary items forming part of net investment in foreign operations		–	–	–	(250)	–	(250)	–	(250)
Realisation of revaluation reserve		–	–	(160)	–	160	–	–	–
Net surplus on revaluation on property, plant and equipment	4	–	–	296	–	–	296	–	296
Translation differences relating to financial statements of foreign subsidiaries		–	–	–	(110)	–	(110)	–	(110)
Tax on other comprehensive income		–	–	(71)	–	–	(71)	–	(71)
Total other comprehensive income		–	–	65	(360)	160	(135)	–	(135)
Total comprehensive income		–	–	65	(360)	(6,532)	(6,827)	(2,720)	(9,547)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issues of shares from warrants exercised		1,992	–	–	–	–	1,992	–	1,992
Dividends paid		–	–	–	–	(1,117)	(1,117)	–	(1,117)
Total contributions by and distribution to owners		1,992	–	–	–	(1,117)	875	–	875
Total transactions with owners		1,992	–	–	–	(1,117)	875	–	875
As at 31 December 2014		131,094	404	2,779	(4,139)	(70,820)	59,318	(3,092)	56,226

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

Consolidated Statement of Cash Flows

Year ended 31 December 2014

	Note	2014	2013
		$'000	$'000
Cash flows from operating activities			
(Loss)/profit for the year		(9,412)	4,341
Adjustments for:			
Amortisation of deferred revenue	26	(804)	(1,071)
Change in fair value of investment properties	26	(19)	(36)
Depreciation of property, plant and equipment	26	1,177	1,061
Impairment loss on property, plant and equipment	26	4,490	–
Property, plant and equipment written off	26	–	650
Gain on disposal of property, plant and equipment	26	(2)	–
Gain on asset held for sale	26	–	(396)
Impairment loss on prepaid lease	14	3,726	–
Amortisation of prepaid lease	14	131	49
Impairment loss on other investments	26	–	3
Tax expense	27	210	168
Finance income	25	(129)	(65)
Finance costs	25	58	72
Provision/(reversal of provision) for warranties	23	41	(78)
Allowance for doubtful receivables	26	292	258
Allowance/(reversal) of inventories obsolescence	26	297	(38)
		56	4,918
Changes in working capital:			
Inventories		331	1,608
Trade and other receivables		(714)	129
Trade and other payables		(363)	(6,303)
Cash (used in)/generated from operations		(690)	352
Income tax refunded		11	–
Income tax paid		(579)	(665)
Net cash used in operating activities		(1,258)	(313)
Cash flows from investing activities			
Interest received	25	129	65
Proceeds from sale of assets held for sale		–	4,133
Proceeds from sale of property, plant and equipment		19	2
Payment of prepaid lease	14	–	(3,906)
Purchase of property, plant and equipment	4	(2,023)	(3,006)
Net cash used in investing activities		(1,875)	(2,712)
Cash flows from financing activities			
Proceeds from trust receipts		5,494	5,274
Repayments of trust receipts		(3,336)	(5,591)
Decrease/(increase) in deposit pledged		4,499	(55)
Interest paid	25	(58)	(72)
Payment of finance lease liabilities		(49)	(54)
Rights issue expenses		–	(352)
Dividends paid to owners of the Company		(1,117)	–
Proceeds from allotment of shares	15	1,992	18,684
Net cash from financing activities		7,425	17,834
Net increase in cash and cash equivalents		4,292	14,809
Effect of exchange rate fluctuations on cash held		66	95
Cash and cash equivalents at beginning of year		29,088	14,184
Cash and cash equivalents at end of year	12	33,446	29,088

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 March 2015.

1 Domicile and activities

Compact Metal Industries Ltd (the "Company") is incorporated in Singapore. The address of the Company's registered office is 120 Pioneer Road, Singapore 639597.

The Group is primarily involved in the manufacture and sale of aluminium windows and doors, and investment holding.

The financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair value as described below.

2.3 Functional and presentation currency

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

2.4 Use of estimation and judgement

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

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

2 Basis of preparation (cont'd)

2.4 Use of estimation and judgement (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Note 24 – Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the survey of works performed.

Significant judgement is required in determining the estimated total contract revenue and contract costs, as well as the recoverability of and foreseeable losses relating to the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgement, the Group relies on past experience and the work of specialists. The amount and timing of recorded revenue and raw materials and consumables used would differ if the Group made different judgements.

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

Note 4 – Depreciation and impairment of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

The Group determines whether property, plant and equipment are impaired whenever indicators of impairment are identified. This requires an estimation of the fair value or value in use of the Group's individual assets or cash-generating units. Estimating the fair value requires the Group to estimate the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from each asset or cash-generating unit and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

Note 6 – Allowance for impairment of investment in subsidiaries

The Group evaluates, amongst other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows, to assess the recoverable amounts of its investments in its subsidiaries.

Differences between the actual performance of the subsidiaries or financial assets and management's annual impairment review will affect the results of the period in which such differences are determined. An increase in impairment losses will increase other operating expenses and decrease non-current assets.

2 Basis of preparation (cont'd)

2.4 Use of estimation and judgement (cont'd)

Note 8 – Allowance for inventory obsolescence

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the Group's products. Possible changes in these estimates could result in revisions to the valuation of inventory. An increase in the Group's allowance for inventory obsolescence would increase the Group's recorded operating expenses and decrease current assets.

Note 10 – Allowance for doubtful receivables (including accrued receivables)

The Group maintains an allowance for doubtful receivables on the estimated losses resulting from the subsequent inability of the Group's customers to make required payments, at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the individual accounts. Management specifically analyses accounts receivables and analyses historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for doubtful receivables would increase the Group's recorded other operating expenses and decrease current assets.

Note 23 – Provision for warranties

The Group makes judgement and estimates the liability to repair or replace products still under warranty at the reporting date. Provision is calculated based on past historical experience of the level of repairs and replacements.

The Group measures the provisions at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilises different estimates. An increase in the Group's provision for warranties would increase the Group's recorded operating expenses and increase current liabilities.

2.5 Changes in accounting policies

Subsidiaries

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

In accordance with the transitional provisions of FRS 110, the Group reassessed the contol conclusion for its investees at 1 January 2014. Based on its assessment, the Group has concluded that there is no impact to the Group's financial statements.

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

Disclosure of interests in other entities

From 1 January 2014, as a result of FRS 112 Disclosure of Interests in Other Entities, the Group has expanded its disclosures about its interests in subsidiaries and non-controlling interests.

Offsetting of financial assets and financial liabilities

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

The Group does not have financial assets and financial liabilities to qualify for offsetting and therefore the new requirement has no significant impact to the carrying amounts of financial assets and liabilities.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

3. Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transactions basis. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests prospectively even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

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

Accounting for subsidiaries in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

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

3. Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

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

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

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

3.3 Financial instruments

Non-derivative financial assets

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

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

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

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents, long-term receivables and trade and other receivables.

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

Non-derivative financial liabilities

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

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

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

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise loans and borrowings, long term payables and trade and other payables.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Share capital

Ordinary shares

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

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for certain freehold land, leasehold properties and freehold buildings. These freehold land, leasehold properties and freehold buildings are measured at revalued amounts. However, all freehold land, leasehold properties and freehold buildings of a similar nature and use within the Group are measured utilising the same basis.

The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

When property, plant and equipment are revalued, the Group has elected to eliminate any accumulated depreciation at the date of the revaluation against the cost of the property, plant and equipment so that the revised cost of the property, plant and equipment at the date of revaluation equals the relevant revalued amount.

Any increase in the revaluation amount is credited to other comprehensive income and presented within equity, in revaluation reserve unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred to accumulated losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

3. Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

Subsequent costs

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

Depreciation

Freehold land and construction-in-progress are not depreciated. Construction-in-progress is carried at cost less accumulated impairment losses until construction or development is completed.

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

Freehold buildings	10 to 50 years
Leasehold properties	over the lease term
Plant and machinery	5 to 23 years
Furniture and fittings	3 to 10 years
Motor vehicles	5 years
Computers	3 years

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

3.5 Prepaid lease

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Land premium prepayment is stated at cost less accumulated amortisation and accumulated impairment losses. The land premium is amortised on a straight-line basis over its lease term of 30 years.

3. Significant accounting policies (cont'd)

3.6 Investment properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

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

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Leased assets

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

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

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.9 Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

3. Significant accounting policies (cont'd)

3.9 Construction work-in-progress (cont'd)

Construction work-in-progress is presented as part of inventories in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as 'excess of progress billings over work-in-progress' within trade and other payables in the statement of financial position.

3.10 Impairment

Non-derivative financial assets

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

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

Loans and receivables

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

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

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

Non-financial assets

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

3. Significant accounting policies (cont'd)

3.10 Impairment (cont'd)

Non-financial assets (cont'd)

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

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated by reducing the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Short-term employee benefits

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

3.12 Provisions

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

3. Significant accounting policies (cont'd)

3.12 Provisions (cont'd)

Warranties

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

3.13 Sale and leaseback

A sale and leaseback transaction involves the sale of an asset and the leaseback of the same asset.

If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss shall be recognised immediately. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value shall be recognised immediately.

3.14 Revenue

Sales of goods

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

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. Transfer usually occurs when the product is received at the customer's warehouse, however, for some international shipments, transfer occurs upon loading of the goods on to the relevant carrier at the port.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit and loss in proportion to the stage of completion of the contract.

3. Significant accounting policies (cont'd)

3.14 Revenue (cont'd)

Construction contracts (cont'd)

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Rental income

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

3.15 Lease payments

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

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

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

3.16 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense from banks and hire purchase creditors and are recognised in the profit or loss using the effective interest method.

3.17 Assets held for sale

Assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies.

Thereafter, the assets are generally measured at the lower of its carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3.18 Tax

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

3. Significant accounting policies (cont'd)

3.18 Tax (cont'd)

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and the Group is able to control the timing of the reversal of the temporary difference and taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

3.19 Earnings per share

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

3. Significant accounting policies (cont'd)

3.20 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 that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly trust receipts and deferred tax liabilities.

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

3.21 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. Those which may be relevant to the Group that are expected to have a significant effect on the financial statements of the Group and Company in future financial periods, and which the Group does not plan to early adopt, are set out below:

FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers will replace FRS 18 Revenue, FRS 11 Construction Contracts and related interpretations. The standard establishes the principles for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed (e.g. service revenue and contract modifications) and improved guidance for multi-element arrangements. The Group is currently assessing the impact upon adoption this standards in financial year ending 31 December 2017.

FRS 109 Financial Instruments

FRS 109 Financial Instruments will replace FRS 39 Financial Instruments: Recognition and Measurement. The standard sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Group is currently assessing the impact on adoption of this standard in financial year ending 31 December 2018.

4. Property, plant and equipment

	<---------- At valuation		-------->	<----------		At cost		---------->	
	Freehold land $'000	Freehold buildings $'000	Leasehold properties $'000	Plant and machinery $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Group									
Valuation/cost									
At 1 January 2013	843	642	5,442	32,294	1,926	1,890	1,063	4,614	48,714
Additions	–	–	–	732	22	2	19	2,231	3,006
Disposals/write-offs	(650)	–	–	(1,325)	(38)	(49)	(1)	–	(2,063)
Surplus on revaluation	–	–	30	–	–	–	–	–	30
Elimination of accumulated depreciation and impairment loss on revaluation	–	–	(402)	–	–	–	–	–	(402)
Reclassification	(180)	(642)	822	–	–	–	–	–	–
Translation differences on consolidation	(13)	–	(174)	(28)	(10)	(6)	(1)	(141)	(373)
At 31 December 2013	–	–	5,718	31,673	1,900	1,837	1,080	6,704	48,912
At 1 January 2014	–	–	5,718	31,673	1,900	1,837	1,080	6,704	48,912
Additions	–	–	–	613	47	–	38	1,325	2,023
Disposals/write-offs	–	–	–	(548)	–	(92)	–	–	(640)
Surplus on revaluation	–	–	296	–	–	–	–	–	296
Elimination of accumulated depreciation and impairment loss on revaluation	–	–	(381)	–	–	–	–	–	(381)
Translation differences on consolidation	–	–	(148)	(301)	(12)	(10)	1	(101)	(571)
At 31 December 2014	–	–	5,485	31,437	1,935	1,735	1,119	7,928	49,639

4. Property, plant and equipment (cont'd)

	<----------- At valuation		---------->	<-------------------------------		At cost		------------------------------->	
	Freehold land $'000	Freehold buildings $'000	Leasehold properties $'000	Plant and machinery $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Construction-in-progress $'000	Total $'000
Accumulated depreciation and impairment losses									
At 1 January 2013	–	–	–	31,288	1,835	1,587	976	797	36,483
Depreciation for the year	–	–	402	517	26	79	37	–	1,061
Disposals/write-offs	–	–	–	(1,325)	(37)	(48)	(1)	–	(1,411)
Elimination of accumulated depreciation and impairment loss on revaluation	–	–	(402)	–	–	–	–	–	(402)
Translation differences on consolidation	–	–	–	(11)	(10)	(6)	(1)	(44)	(72)
At 31 December 2013	–	–	–	30,469	1,814	1,612	1,011	753	35,659
At 1 January 2014	–	–	–	30,469	1,814	1,612	1,011	753	35,659
Depreciation for the year	–	–	381	656	34	72	34	–	1,177
Impairment loss for the year	–	–	–	–	–	–	–	4,490	4,490
Disposals/write-offs	–	–	–	(532)	–	(91)	–	–	(623)
Elimination of accumulated depreciation and impairment loss on revaluation	–	–	(381)	–	–	–	–	–	(381)
Translation differences on consolidation	–	–	–	(287)	(12)	(10)	1	(36)	(344)
At 31 December 2014	–	–	–	30,306	1,836	1,583	1,046	5,207	39,978
Carrying amounts									
At 1 January 2013	843	642	5,442	1,006	91	303	87	3,817	12,231
At 31 December 2013	–	–	5,718	1,204	86	225	69	5,951	13,253
At 31 December 2014	–	–	5,485	1,131	99	152	73	2,721	9,661

4. Property, plant and equipment (cont'd)

Company	Plant and machinery $'000	Furniture and fittings $'000	Motor vehicles $'000	Computers $'000	Total $'000
	< ---At cost			--->	
Cost					
At 1 January 2013	9,512	316	821	589	11,238
Additions	–	5	–	13	18
At 31 December 2013	9,512	321	821	602	11,256
Additions	35	41	–	23	99
At 31 December 2014	9,547	362	821	625	11,355
Accumulated depreciation and impairment losses					
At 1 January 2013	9,510	291	616	547	10,964
Depreciation for the year	1	3	53	25	82
At 31 December 2013	9,511	294	669	572	11,046
Depreciation for the year	1	4	52	20	77
At 31 December 2014	9,512	298	721	592	11,123
Carrying amounts					
At 1 January 2013	2	25	205	42	274
At 31 December 2013	1	27	152	30	210
At 31 December 2014	35	64	100	33	232

(a) Those leasehold properties of the Group measured at valuation were revalued as at 31 December 2014 based on valuations performed by VPC Alliance (JB) Sdn. Bhd., firm of independent professional valuers, utilising an open market value on an existing use basis. The revaluation surpluses (net of tax) of $225,000 (2013: $23,000) were recognised in the revaluation reserve of the Group.

The carrying amount of leasehold properties of the Group (measured at revalued amounts) would have been $2,216,000 (2013: $2,737,000) had the leasehold properties been carried at cost less accumulated depreciation.

(b) Plant and equipment with the following net book values were acquired under finance lease arrangements:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Plant and machinery	38	47	–	–
Motor vehicles	67	114	67	103
	105	161	67	103

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of $2,023,000 (2013: $3,006,000) and $99,000 (2013: $18,000).

4. Property, plant and equipment (cont'd)

Impairment loss

During the year, continued operating losses were incurred at the cash-generating unit located in Malaysia of the aluminium extrusions and related products segment. Accordingly, the Group performed an impairment assessment to determine the recoverable amounts of the plant and equipment for these operations.

The recoverable amount of the relevant plant and equipment has been determined based on the fair value less cost to sell derived from valuation reports obtained from independent professional valuers. The fair value of the relevant plant and equipment determined by the independent professional valuers are based on the estimated selling price utilising an open market value basis.

Based on the impairment assessments performed in the current year, the carrying amounts of the relevant plant and equipment of $1,713,000 (2013: $1,774,000) respectively were determined to be lower than their recoverable amounts. Accordingly, no impairment loss is recognised in current year (2013: $Nil).

5. Investment properties

		Group	
	Note	**2014**	**2013**
		$'000	**$'000**
At 1 January		639	623
Changes in fair value	26	19	36
Reclassification to assets held for sale	13	(550)	–
Translation differences on consolidation		(14)	(20)
At 31 December		94	639

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period ranging from 1 to 3 years. No contingent rents are charged.

During the current year, the Group entered into sales and purchase agreements with unrelated parties to dispose certain subsidiaries' investment properties located in Malaysia, which is expected to be completed within the next twelve months from 31 December 2014. Accordingly, the Group reclassified certain investment properties to assets held for sale.

The investment properties are revalued as at 31 December 2014 by VPC Alliance (KL) Sdn. Bhd., a firm of independent professional valuers that has appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

6. Subsidiaries

	Company	
	2014	2013
	$'000	$'000
Unquoted shares, at cost	31,048	31,048
Impairment losses	(28,328)	(21,517)
	2,720	9,531
Quasi-equity loan to subsidiaries, at cost	37,024	37,024
Impairment losses	(37,024)	(37,024)
	–	–
	2,720	9,531

As at the reporting date, the Company carried out a review on the recoverable amount of its investments in subsidiaries. Where impairment indicators exist, the recoverable amount of the relevant investments in subsidiaries has been determined based on the estimated fair value of the respective net assets at the reporting date (i.e. fair value less cost to sell). During the year, an impairment loss of $6,811,000 (2013: $150,000) had been recorded as the recoverable amounts were determined to be lower than the Company's carrying amounts of investment in the respective subsidiaries.

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation and business	Effective equity held by the Group	
		2014	2013
		%	%
Subsidiaries of Compact Metal Industries Ltd			
FacadeMaster Sdn. Bhd.[2]	Malaysia	100	100
Compact Metal Ind. Pte Ltd (formerly known as Archi Engineering Pte Ltd) [4]	Singapore	100	100
Compact Hotel Sdn. Bhd. [3] [7]	Malaysia	100	100
Aluform Marketing Pte Ltd [4]	Singapore	100	100
Compact Metal Industries Sdn. Bhd. And its subsidiaries [2]	Malaysia	100	100
Integrate Private Limited [1]	Singapore	100	100
PT. Cakra Compact Aluminium Industries [6]	Indonesia	100	100
Selaco Aluminium Berhad [2]	Malaysia	98.2	98.2
FacadeMaster Pte Ltd and its subsidiary [4]	Singapore	100	100
Ratus Projek Sdn Bhd [3]	Malaysia	100	100
AEL Enviro (Asia) Pte Ltd [4]	Singapore	70.0	70.0
Subsidiaries of Compact Metal Industries Sdn. Bhd.			
Compact Bricks Sdn. Bhd. [3]	Malaysia	100	100
Aluform Marketing Sdn. Bhd. [3] [7]	Malaysia	60.9	60.9
Subsidiary of Integrate Pte Ltd			
Integrate Marketing Pte Ltd [4]	Singapore	100	100

6. Subsidiaries (cont'd)

Name of subsidiaries	Place of incorporation and business	Effective equity held by the Group	
		2014	2013
		%	%
Subsidiary of FacadeMaster Pte Ltd			
FacadeMaster Philippines Inc. [5]	Philippines	100	100

[1] Audited by KPMG LLP, Singapore
[2] Audited by KPMG Malaysia, a member firm of KPMG International
[3] Audited by CSY & Associates (formerly known as Atarek Choong, Malaysia)
[4] Audited by Ecovis Trustnet Alliance, Singapore
[5] Not required to be audited by law
[6] Liquidated subsequently on 2 February 2015
[7] In the process of striking off

KPMG LLP Singapore is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7. Long-term receivables

Long-term accrued receivables relate to retention sums withheld by main contractors until the successful completion of the project work. These amounts are only receivable upon completion of the construction contract and the defective liability period, which normally takes longer than a year to complete.

The long-term receivables are denominated in Singapore dollars.

8. Inventories

	Note	Group		Company	
		2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Raw materials		9,657	8,803	1,431	1,360
Work-in-progress		1,420	931	–	–
Finished goods		1,985	2,595	44	20
		13,062	12,329	1,475	1,380
Allowance for inventories obsolescence		(1,484)	(1,187)	(796)	(672)
		11,578	11,142	679	708
Construction work-in-progress	9	545	1,678	498	776
		12,123	12,820	1,177	1,484

8. Inventories (cont'd)

The Group recognises allowance on obsolete inventories when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items and is established when these inventory items are no longer marketable. Obsolete inventory items when identified are written off to profit or loss. In addition to an allowance for specifically identified obsolete inventory, allowances are also estimated based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a regular basis the condition of its inventories.

9. Construction work-in-progress

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Costs incurred and attributable profits		4,666	10,838	3,689	5,838
Progress billings		(4,121)	(9,160)	(3,191)	(5,062)
		545	1,678	498	776
Comprising:					
Construction work-in-progress	8	545	1,678	498	776

10. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables	11,341	10,120	2,876	1,953
Accrued receivables	4,362	4,969	3,604	4,241
Allowance for doubtful receivables	(4,174)	(3,966)	(547)	(275)
	11,529	11,123	5,933	5,919
Other receivables and deposits	464	592	50	47
Amounts due from subsidiaries (non-trade)	–	–	79,525	76,440
Allowance for doubtful receivables	–	–	(54,232)	(29,886)
	–	–	25,293	46,554
Loans and receivables	11,993	11,715	31,276	52,520
Prepayments	370	296	29	22
Net receivables	12,363	12,011	31,305	52,542
Non-current	3,961	4,291	3,660	3,901
Current	8,402	7,720	27,645	48,641
	12,363	12,011	31,305	52,542

Accrued receivables represent retention sum and value of goods delivered or installed at customers' premises for which invoices have yet to be raised.

10. Trade and other receivables (cont'd)

Included in the Group's non-current trade and other receivables are retention sums of $3,961,000 (2013: $4,291,000).

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

The Group and Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables are disclosed in note 31.

11. Other investments

The Group designates quoted equity securities as financial assets at fair value through profit and loss.

12. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash at bank and in hand	8,506	8,772	4,308	4,781
Fixed deposits	24,974	24,849	24,936	24,811
	33,480	33,621	29,244	29,592
Deposits pledged	(34)	(4,533)	–	(4,498)
Cash and cash equivalents in the statement of cash flows	33,446	29,088	29,244	25,094

The weighted average effective interest rates per annum relating to cash and cash equivalents at the reporting date for the Group and Company are 0.49% (2013: 0.48%). Interest rates reprice at intervals of less than twelve months, upon maturity of the fixed deposits.

The Group and the Company's fixed deposits of $34,000 and $Nil respectively (2013: $4,533,000 and $4,498,000) are pledged with financial institutions as securities for banker guarantees.

13. Assets held for sale

		Group	
	Note	2014	2013
		$'000	$'000
At 1 January		1,196	4,996
Disposal of assets		–	(3,800)
Reclassification from investment properties	5	550	–
At 31 December		1,746	1,196

13. Assets held for sale (cont'd)

On 7 August 2012 and 16 November 2012, the Group entered into sale and purchase agreements with unrelated parties to dispose certain property, plant and equipments in its subsidiaries located in Indonesia and Malaysia respectively. These property, plant and equipment were presented as assets held for sale and were presented as part of the aluminium related products and investment holding segments.

In 2013, the Group completed the sale of certain assets held for sale located in Indonesia and recognised a gain on sale of $396,000 in other income in the consolidated statement of profit or loss. The Group remains committed to its plan to sell the remaining assets and is of the view that the pending regulatory approval from the Malaysian authorities does not prevent the sale from being highly probable. Accordingly, the Group continues to classify the remaining assets as assets held for sale as at 31 December 2013 and 2014 respectively.

As disclosed in note 5, the Group has reclassified certain investment properties to assets held for sale following the sales and purchase agreements to sell certain investment properties to unrelated parties. The carrying value of the investment property approximates its fair value less estimated cost to sell. The transaction is expected to be completed within the next twelve months from 31 December 2014.

These assets are carried in the financial statements at the lower of their carrying amount and their fair value less estimated costs to sell.

14. Prepaid lease

	Note	Group $'000
Cost		
At 1 January 2013		–
Additions during the year		3,906
At 31 December 2013		3,906
Additions during the year		–
At 31 December 2014		3,906
Accumulated amortisation		
At 1 January 2013		–
Amortisation charge for the year		49
At 31 December 2013		49
Amortisation charge for the year	26	131
Impairment loss for the year	26	3,726
At 31 December 2014		3,906
Carrying amounts		
At 1 January 2013		–
At 31 December 2013		3,857
At 31 December 2014		–

The prepaid lease relates to the leasehold land that was acquired for the construction of the RF Induced Plasma Plyrolysis Tyre Plant (note 32). The lease term is for the period of 30 years which commenced from 15 August 2013 and expires on 15 August 2043.

During the year, an impairment loss of $3,726,000 had been recorded as the Group had decided to shelve the construction and its related project indefinitely.

15. Share capital

	Company No. of shares 2014 ('000)	2013 ('000)
Fully paid ordinary shares, with no par value:		
At 1 January	700,768	233,435
Issued for cash	–	466,870
Issue of shares from warrants exercised	99,580	463
At 31 December	800,348	700,768

On 14 October 2013, the Company consolidated 20 existing ordinary shares into 1 ordinary share.

On 7 November 2013, the Company completed a renounceable non-underwritten rights cum warrant issue, pursuant to which 466,870,184 new ordinary shares in the capital of the Company ("Right Shares") were issued at an issue price of $0.04 of each Rights Shares and 466,870,184 free detachable warrants, with each warrant carrying the right to subscribe for 1 new consolidated share at an exercise price of $0.02.

During the year, the Company issued 99,580,000 new ordinary shares as a result of the warrants exercised at an exercise price of $0.02 per share (2013: 463,000).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

16. Reserves

The capital reserve comprises the Group's share of the accumulated profits of its subsidiaries capitalised in a bonus issue of shares.

The revaluation reserve comprises surpluses from the revaluation of freehold land and leasehold properties (see note 4).

The currency translation reserve comprises the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company and the translation of inter-company balances of certain subsidiaries which form part of the Group's net investment in foreign operations, provided certain conditions are met.

17. Non-controlling interests

The following subsidiary has material non-controlling interests (NCI).

Name of subsidiary	Place of incorporation and business	Operating Segment	Ownership interest held by NCI 2014 %	Ownership interest held by NCI 2013 %
AEL Enviro (Asia) Pte Ltd	Singapore	Energy related products and services	30.0	30.0

The following summarises the financial information of the Group's subsidiaries with material NCI, based on its respective financial statements prepared in accordance with FRS.

	AEL Enviro (Asia) Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2014				
Revenue	–			
Loss	(8,986)			
OCI	–			
Total comprehensive income	(8,986)			
Attributable to NCI:				
Loss	(2,696)	(24)	–	(2,720)
OCI	–	4	(4)	–
Total comprehensive income	(2,696)	(20)	(4)	(2,720)
Non-current assets	–			
Current assets	63			
Non-current liabilities	(9,696)			
Current liabilities	(827)			
Net liabilities	(10,460)			
Net liabilities attributable to NCI	(3,138)	37	9	(3,092)
Cash flows from operating activities	(518)			
Cash flows from investing activities	(800)			
Cash flows from financing activities	1,329			
Net increase in cash and cash equivalent	11			

17. Non-controlling interests (cont'd)

	AEL Enviro (Asia) Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2013				
Revenue	–			
Loss	(1,254)			
OCI	–			
Total comprehensive income	(1,254)			
Attributable to NCI:				
Loss	(376)	(25)	(1)	(402)
OCI	–	1	(4)	(3)
Total comprehensive income	(376)	(24)	(5)	(405)
Non-current assets	6,789			
Current assets	215			
Non-current liabilities	(8,188)			
Current liabilities	(290)			
Net liabilities	(1,474)			
Net liabilities attributable to NCI	(442)	57	13	(372)
Cash flows from operating activities	(925)			
Cash flows from investing activities	(6,090)			
Cash flows from financing activities	6,940			
Net decrease in cash and cash equivalent	(75)			

18. Loans and borrowings

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current liabilities				
Finance lease liabilities	30	62	30	59
Current liabilities				
Unsecured trust receipts	3,668	1,510	3,668	1,510
Finance lease liabilities	32	49	29	29
	3,700	1,559	3,697	1,539
Total loans and borrowings	3,730	1,621	3,727	1,598

18. Loans and borrowings (cont'd)

Terms and debt repayment schedule of loans and borrowings

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	2014 Face value $'000	2014 Carrying amount $'000	2013 Face value $'000	2013 Carrying amount $'000
Group						
Trust receipts	2.44% – 2.62%	2014 – 2015	3,668	3,668	1,510	1,510
Finance lease liabilities	2.30% – 4.75%	2014 – 2016	76	62	136	111
			3,744	3,730	1,646	1,621
Company						
Trust receipts	2.44% – 2.62%	2014 – 2015	3,668	3,668	1,510	1,510
Finance lease liabilities	2.30% – 4.75%	2014 – 2016	72	59	108	88
			3,740	3,727	1,618	1,598

Obligations under finance lease

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

	<--------------- 2014 --------------->			<--------------- 2013 --------------->		
	Present value of minimum lease payments $'000	Interest $'000	Future minimum lease payments $'000	Present value of minimum lease payments $'000	Interest $'000	Future minimum lease payments $'000
Group						
Within 1 year	32	7	39	49	11	60
After 1 year but within 5 years	30	7	37	62	14	76
	62	14	76	111	25	136
Company						
Within 1 year	29	6	35	29	6	35
After 1 year but within 5 years	30	7	37	59	14	73
	59	13	72	88	20	108

19. Long-term payables

Long-term payables relate to retention sums withheld by the Group and the Company until the successful completion of the project work. Included in the Company's long-term payables is $110,000 (2013: $628,000) which relates to amount due to subsidiaries for retention sums withheld by the Company for the project work undertaken by the subsidiaries for the Company.

These amounts are only payable upon completion of the construction contract and defective liability period, which normally takes longer than a year to complete.

The long-term payables are denominated in Singapore dollars.

20. Deferred tax

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

Group	At 1/1/2013 $'000	Recognised in profit or loss (note 27) $'000	Recognised in other comprehensive income $'000	Translation differences on consolidation $'000	At 31/12/2013 $'000	Recognised in profit or loss (note 27) $'000	Recognised in other comprehensive income $'000	Translation differences on consolidation $'000	At 31/12/2014 $'000
Deferred tax liabilities									
Property, plant and equipment	1,691	(398)	7	(209)	1,091	(72)	71	(15)	1,075
Other items	74	(65)	–	1	10	(4)	–	–	6
	1,765	(463)	7	(208)	1,101	(76)	71	(15)	1,081
Deferred tax assets									
Trade receivable	(195)	62	–	4	(129)	5	–	3	(121)
Unabsorbed capital allowances	(574)	175	–	14	(385)	(87)	–	11	(461)
Tax loss carry-forward	(76)	76	–	–	–	–	–	–	–
Other items	(8)	(233)	–	3	(238)	32	–	4	(202)
	(853)	80	–	21	(752)	(50)	–	18	(784)
Net deferred tax	912	(383)	7	(187)	349	(126)	71	3	297

20. Deferred tax (cont'd)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting are included in the statement of financial position as follows:

	Group	
	2014	2013
	$'000	$'000
Deferred tax liabilities	297	349

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2014	2013
	$'000	$'000
Deductible temporary differences	804	1,706
Unutilised capital allowances	7,071	3,232
Unutilised tax losses	37,739	37,859
	45,614	42,797

The unutilised tax losses and capital allowances are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

21 Deferred revenue

The deferred revenue arises from the sale and leaseback transaction, representing the excess profits (the excess of the sale price over the fair value) arising from the sale and leaseback of a property located at 120 Pioneer Road previously held by the Group. The excess profits are deferred and amortised over the lease period of seven years upon the completion of the sale of property in October 2007. During the year, the excess profits had been fully amortised.

22 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables	604	1,640	166	1,040
Accrued operating expenses	3,153	2,983	2,316	1,591
Other payables	3,462	2,787	1,223	816
Amounts due to subsidiaries				
- trade	–	–	15,008	15,109
- non-trade	–	–	18,058	19,390
	7,219	7,410	36,771	37,946

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

23. Provision for warranties

	Note	Group		Company	
		2014	2013	2014	2013
		$'000	$'000	$'000	$'000
At 1 January		951	1,029	670	730
Provision recognised/ (reversed) during the year	26	41	(78)	51	(60)
At 31 December		992	951	721	670

The provision for warranty is made only for those contracts for which warranty for defects is provided and when those contracts are completed. The provision for warranties is based on estimates made from historical warranty data associated with similar completed contracts. The Group expects to incur the liability over the next five years or more.

24. Revenue

Revenue of the Group includes the value of goods sold and services rendered, and in respect of contracted projects, an appropriate portion of the contracted sales value on which profits have been recognised under the percentage of completion method. Transactions within the Group have been excluded in arriving at the revenue for the Group.

	Group	
	2014	2013
	$'000	$'000
Sales of goods	15,900	15,722
Construction contracts revenue	17,152	19,295
	33,052	35,017

25. Finance income and finance costs

	Group	
	2014	2013
	$'000	$'000
Finance income		
Interest income from financial institutions	129	65
Finance costs		
- banks	47	60
- hire purchase creditors	11	12
	58	72

26. (Loss)/profit before tax

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

	Note	Group 2014 $'000	Group 2013 $'000
Audit fees paid to			
- auditors of the Company		163	162
- other auditors		99	54
Non-audit fees paid to			
- auditors of the Company		10	14
- other auditors		11	6
Change in fair value of investment properties	5	(19)	(36)
Contributions to defined contribution plans included in staff costs		197	223
Depreciation of property, plant and equipment	4	1,177	1,061
Impairment loss on property, plant and equipment	4	4,490	–
Amortisation of prepaid lease	14	131	49
Impairment loss on prepaid lease	14	3,726	–
Property, plant and equipment written-off		–	650
Exchange loss		341	476
Operating lease expense		2,630	2,505
Amortisation of deferred revenue		(804)	(1,071)
Gain on disposal of property, plant and equipment		(2)	–
Gain on asset held for sale, included in other income		–	(396)
Operating lease income		(1,256)	(1,593)
Allowance/(reversal) of inventories obsolescence		297	(38)
Allowance for doubtful receivables	31	292	258
Provision/(reversal) of provision for warranties	23	41	(78)
Impairment loss on other investments		–	3

27. Tax expense

	Note	Group 2014 $'000	Group 2013 $'000
Current tax expense			
Current year		336	554
Over provision in respect of prior years		–	(3)
		336	551
Deferred tax expense			
Origination and reversal of temporary differences	20	(126)	(383)
		(126)	(383)
Tax expense		210	168

27. Tax expense (cont'd)

	Group 2014 $'000	Group 2013 $'000
Reconciliation of effective tax rate		
(Loss)/profit before tax	(9,202)	4,509
Income tax using Singapore tax rate of 17% (2013: 17%)	(1,564)	767
Effect of different tax rate in other countries	(156)	(150)
Income not subject to tax	(287)	(286)
Expenses not deductible for tax purposes	1,738	160
Benefits of deferred tax assets not recognised	479	–
Utilisation of previously unrecognised deferred tax benefits	–	(320)
Over provision in respect of prior years	–	(3)
	210	168

28. (Loss)/earnings per share

	Group 2014 $'000	Group 2013 $'000
Basic and diluted earnings per share is based on the (loss)/profit attributable to owners of the parent	(6,692)	4,743
Weighted average number of ordinary shares at the end of the year ('000)	778,984	306,637
Weighted average number of ordinary shares (diluted) at the end of the year ('000)	973,862	627,518

For the purpose of calculating the diluted earnings per ordinary share in 2013, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options and unexercised warrants, with the potential ordinary shares weighted for the period of outstanding.

For the purpose of calculating the diluted earnings per ordinary share in 2014, the outstanding warrants, which are convertible to ordinary shares were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive. As the potential shares are anti-dilutive, i.e. decreasing the loss per share, the diluted loss per share for the financial period was computed on the same basis as basic loss per share.

29. Segment reporting

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different expertise and marketing strategies. For each of the strategic business units, the Group's CEO (the Chief Operating Decision Maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Projects division: the undertaking of aluminium architectural contracts and engineering works and the sub-contracting of building construction projects.

(b) Aluminium extrusions and related products division: the manufacturing of aluminium extrusions, supply of all such related products.

(c) Investment holding division: the investment in land and buildings for either development or capital appreciation purposes.

(d) Energy related products and services division: the development of prototype equipment for generation of electricity through recycling of shredded tyres.

Other operations mainly relates to investments in unquoted shares and management of properties. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2014 or 2013.

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

Information about reportable segments

In Singapore dollars	Project $'000	Aluminium related products $'000	Investment holding $'000	Energy related products and services $'000	Others $'000	Total operations $'000
2014						
External revenues	16,520	16,532	–	–	–	33,052
Inter-segment revenue	10,146	3,415	97	–	–	13,658
Finance income	129	–	–	–	–	129
Finance costs	(55)	(3)	–	–	–	(58)
Depreciation of property, plant and equipment	(169)	(755)	(249)	(4)	–	(1,177)

29. Segment reporting (cont'd)

Information about reportable segments (cont'd)

In Singapore dollars	Project $'000	Aluminium related products $'000	Investment holding $'000	Energy related products and services $'000	Others $'000	Total operations $'000
Reportable segment profit/(loss) before income tax	2,349	(2,098)	(601)	(8,844)	(8)	(9,202)
Income tax (expense)/credit	(282)	81	(9)	–	–	(210)
Reportable segment profit/(loss) for the year	2,067	(2,017)	(610)	(8,844)	(8)	(9,412)
Other material non-cash items:						
- Amortisation of deferred revenue	(804)	–	–	–	–	(804)
- Change in fair value of investment property	–	(19)	–	–	–	(19)
- Allowance of inventories obsolescence	197	100	–	–	–	297
- Allowance for doubtful receivables	313	(21)	–	–	–	292
- Impairment loss on property, plant and equipment	–	–	110	4,380	–	4,490
- Impairment loss on prepaid lease	–	–	–	3,726	–	3,726
Reportable segment assets	41,275	22,147	5,984	63	–	69,469
Reportable segment liabilities	6,208	991	1,252	827	–	9,278
2013						
External revenues	17,034	17,983	–	–	–	35,017
Inter-segment revenue	9,786	4,769	87	–	–	14,642
Finance income	65	–	–	–	–	65
Finance costs	(68)	(4)	–	–	–	(72)
Depreciation of property, plant and equipment	(230)	(515)	(312)	(4)	–	(1,061)
Reportable segment profit/(loss) before income tax	7,595	(1,416)	(485)	(1,171)	(14)	4,509
Income tax (expense)/credit	(529)	547	(186)	–	–	(168)
Reportable segment profit/(loss) for the year	7,066	(869)	(671)	(1,171)	(14)	4,341
Other material non-cash items:						
- Amortisation of deferred revenue	(1,071)	–	–	–	–	(1,071)
- Change in fair value of investment property	–	(36)	–	–	–	(36)
- Reversal of inventories obsolescence	(94)	56	–	–	–	(38)
- Allowance for doubtful receivables	(140)	398	–	–	–	258
Reportable segment assets	41,849	22,142	6,405	7,004	–	77,400
Capital expenditure	(66)	(700)	–	(2,240)	–	(3,006)
Reportable segment liabilities	7,875	1,157	1,319	290	2	10,643

29. Segment reporting (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014 $'000	2013 $'000
Revenue		
Total revenue for reportable segments	46,710	49,659
Elimination of inter-segment revenue	(13,658)	(14,642)
Consolidated revenue	33,052	35,017
Liabilities		
Total liabilities for reportable segments	9,278	10,643
Other unallocated amounts – trust receipts and deferred tax liabilities	3,965	1,859
Consolidated total liabilities	13,243	12,502

There are no reconciling items and adjustments to be presented for consolidated total assets and profit/(loss) before income tax for reportable segments and other material non-cash items.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2014		2013	
	Revenue $'000	Non-current assets $'000	Revenue $'000	Non-current assets $'000
Singapore	21,552	3,474	25,964	12,130
Malaysia	11,500	10,242	9,053	9,910
	33,052	13,716	35,017	22,040

Major customer

Revenues from one customer of the Group's project segment represents approximately $7,124,000 (2013: $4,682,000) of the Group's total revenues.

30. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

30. Determination of fair values (cont'd)

Property, plant and equipment and Investment properties

External, independent valuation companies, having the appropriate recognised professional qualifications and experience in the location and category of property being valued, value the Group's investment property portfolio and the Group's freehold land, freehold buildings and leasehold properties at every year end. The fair values are based on market values, being the estimated amount for which a property or land could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

Other investments

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing bid price at the reporting date.

Other financial assets and liabilities

The carrying amounts of loans and receivables, trade and other payables and loans and borrowings with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

The fair value for non-current financial assets and financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For long-term receivables and payables, the market rate of interest is determined by reference to current market bank rates for similar nature of loans.

The carrying amounts of the Group and the Company's financial liabilities carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 2013 except for those disclosed in Note 31.

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2014				
Commercial properties for leasing	–	94	–	94
Total investment properties	–	94	–	94
31 December 2013				
Commercial properties for leasing	–	639	–	639
Total investment properties	–	639	–	639

31. Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk
- foreign currency risk
- equity price risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Audit Committee oversees the monitoring of compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management in relation to the Group's operations and the risks faced by the Group.

Credit risk

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

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As the main principal activities of the Group are the manufacture and sale of aluminium products, the Group's major customers are mainly in the construction industry. However, the Group's exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

31. Financial instruments (cont'd)

Credit risk (cont'd)

The maximum exposure to credit risk at the reporting date is:

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
Carrying amounts					
Loans and receivables	10	11,993	11,715	31,276	52,520
Cash and cash equivalents	12	33,480	33,621	29,244	29,592
		45,473	45,336	60,520	82,112

The maximum exposure to credit risk for loans and receivables at the reporting date (by type of customer) is:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Project customers	6,275	5,670	5,608	4,899
Trading customers	5,254	5,453	25,618	47,574
Others	464	592	50	47
	11,993	11,715	31,276	52,520

Concentration of credit risk relating to loans and receivables is limited due to the Group's and Company's many varied customers. The main customers are construction-related with Housing Development Board ("HDB") appointed main contractors engaged mainly in HDB projects and other private projects. The Group's and Company's historical experience in the collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's loans and receivables.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The allowance account in respect to trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance is written off against the carrying amount of the impaired financial asset.

Notes to the Financial Statements

31. Financial instruments (cont'd)

Credit risk (cont'd)

The ageing of loans and receivables at the reporting date is:

	2014		2013	
	Gross	Impairment losses	Gross	Impairment losses
	$'000	$'000	$'000	$'000
Group				
Not past due	9,261	–	9,004	–
Past due 0 – 30 days	809	–	958	–
Past due 31 – 120 days	902	–	976	–
More than 120 days	5,195	4,174	4,743	3,966
	16,167	4,174	15,681	3,966
Company				
Not past due	5,637	–	5,139	–
Past due 0 – 30 days	114	–	432	–
Past due 31 – 120 days	176	–	141	–
More than 120 days	80,128	54,779	76,969	30,161
	86,055	54,779	82,681	30,161

The change in impairment loss in respect of loans and receivables during the year is as follows:

		Group		Company	
	Note	2014	2013	2014	2013
		$'000	$'000	$'000	$'000
At 1 January		3,966	5,048	30,161	31,215
Translation differences on consolidation		(62)	(58)	–	–
Impairment loss recognised/ (reversed)	26	292	258	24,660	(1,054)
Impairment loss utilised		(22)	(1,282)	(42)	–
At 31 December		4,174	3,966	54,779	30,161

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

31. Financial instruments (cont'd)

Liquidity risk (cont'd)

In addition, the Group maintains the following lines of credit:

- $3 million (2013: $3 million) overdraft facility that is unsecured. Interest would be charged at the bank prime rate (currently at 5% per annum) prevailing from time to time and calculated on 365 day-year basis.
- $9 million (2013: $9 million) common line for trust receipt, letter of credit and performance guarantee that are unsecured. The facility has a maturity of 180 days that can be drawn down upon repayment. Interest is charged at 2% per annum above the bank swap offer rate ("SOR") prevailing from time to time.
- $2 million (2013: $2 million) secured term loan for purchase of land for a tenure of one year. Interest would be charged at 2.5% per annum above the bank SOR prevailing from time to time.
- $16 million (2013: $16 million) secured term loan for construction of the development of land for a loan period of one year. Interest would be charged at 2.5% per annum above the bank SOR prevailing from time to time.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements, on the basis of their earliest possible contractual maturity.

		<---------------- Cash flows --------------->		
	Carrying amounts $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000
Group				
2014				
Non-derivative financial liabilities				
Finance lease liabilities	62	(76)	(39)	(37)
Trust receipts	3,668	(3,668)	(3,668)	–
Long-term payables	674	(674)	–	(674)
Trade and other payables	7,219	(7,219)	(7,219)	–
	11,623	(11,637)	(10,926)	(711)
2013				
Non-derivative financial liabilities				
Finance lease liabilities	111	(136)	(60)	(76)
Trust receipts	1,510	(1,547)	(1,547)	–
Long-term payables	802	(802)	–	(802)
Trade and other payables	7,410	(7,410)	(7,410)	–
	9,833	(9,895)	(9,017)	(878)
Company				
2014				
Non-derivative financial liabilities				
Finance lease liabilities	59	(72)	(35)	(37)
Trust receipts	3,668	(3,668)	(3,668)	–
Long-term payables	618	(618)	–	(618)
Trade and other payables	36,771	(36,771)	(36,771)	–
	41,116	(41,129)	(40,474)	(655)

31. Financial instruments (cont'd)

Liquidity risk (cont'd)

		<---------------- Cash flows --------------->		
	Carrying amounts $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000
Company				
2013				
Non-derivative financial liabilities				
Finance lease liabilities	88	(108)	(35)	(73)
Trust receipts	1,510	(1,547)	(1,547)	–
Long-term payables	1,279	(1,279)	–	(1,279)
Trade and other payables	37,946	(37,946)	(37,946)	–
	40,823	(40,880)	(39,528)	(1,352)

It is not expected that the cash flows included in the maturity analysis would occur significantly earlier, or at significantly different amounts.

Market risk

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

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use any derivative financial instruments to hedge its interest rate risk.

At the reporting date, the interest rate profile of the interest-bearing/earning financial instruments was:

		Group		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Fixed rate instruments					
Fixed deposits	12	24,974	24,849	24,936	24,811
Finance lease liabilities	18	(62)	(111)	(59)	(88)
		24,912	24,738	24,877	24,723
Variable rate instruments					
Trust receipts	18	(3,668)	(1,510)	(3,668)	(1,510)

Fair value sensitivity analysis for fixed rate instruments

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

31. Financial instruments (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

An increase in 100 basis points ("bp") (1%) in interest rates at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Trust receipts	(37)	(15)	(37)	(15)
Cash flow sensitivity (net)	(37)	(15)	(37)	(15)

A decrease in 100 bp would have the equal but opposite effect on the above interest- earning/bearing instruments shown above, on the basis that all other variables remain constant.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and expenses that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore dollar, United States dollar and Australian dollar.

The Group's exposure to foreign currency risk is closely monitored by management on an ongoing basis and is not significant.

Equity price risk

The Group's exposure to equity price risk is not significant.

Capital management

The Group defines capital as share capital, capital reserve, revaluation reserve, currency translation reserve and accumulated losses.

The Group's capital management is focused on ensuring its ability to continue as a going concern in order to provide an adequate return to our shareholders and economic benefits for the stakeholders.

The Group manages its capital structure and makes adjustments to it in consideration of many factors including (a) the changes in economic conditions, (b) the availability of comparatively advantageous financing strategies, (c) the cost of financing and (d) the impact of changes in our liquidity and funding needs pertaining to our business activities.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

31. Financial instruments (cont'd)

Fair values

Fair values versus carrying amounts

The carrying amounts of the Group and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 2013 except as follows:

	Carrying amount		Fair value	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Group				
Financial assets				
Long-term receivables	3,961	4,291	3,886	4,139
Financial liabilities				
Long-term payables	(674)	(802)	(660)	(652)
	3,287	3,489	3,226	3,487
Company				
Financial assets				
Long-term receivables	3,660	3,901	3,587	3,762
Financial liabilities				
Long-term payables	(618)	(1,279)	(607)	(1,236)
	3,042	2,622	2,980	2,526

The basis for determining fair values is disclosed in Note 30.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, in relation to long term receivables and payables, are based on the market rate of interest at reporting date:

	2014	2013
	%	%
Group and Company		
Long-term receivables and payables	1.6	3.5

31. Financial instruments (cont'd)

Accounting classifications and fair values

Fair values versus carrying amounts

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

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities within the scope of FRS39 $'000	Other financial liabilities outside the scope of FRS39 $'000	Total carrying amount $'000	Fair value $'000
Group							
2014							
Long-term receivables	7	–	3,961	–	–	3,961	3,886
Trade and other receivables*		–	8,032	–	–	8,032	8,032
Other investments	11	2	–	–	–	2	2
Cash and cash equivalents	12	–	33,480	–	–	33,480	33,480
		2	45,473	–	–	45,475	45,400
Unsecured trust receipts	18	–	–	(3,668)	–	(3,668)	(3,668)
Finance lease liabilities	18	–	–	–	(62)	(62)	(62)
Long-term payables	19	–	–	(674)	–	(674)	(660)
Trade and other payables	22	–	–	(7,219)	–	(7,219)	(7,219)
		–	–	(11,561)	(62)	(11,623)	(11,609)
2013							
Long-term receivables	7	–	4,291	–	–	4,291	4,139
Trade and other receivables*		–	7,424	–	–	7,424	7,424
Other investments	11	3	–	–	–	3	3
Cash and cash equivalents	12	–	33,621	–	–	33,621	33,621
		3	45,336	–	–	45,339	45,187
Unsecured trust receipts	18	–	–	(1,510)	–	(1,510)	(1,510)
Finance lease liabilities	18	–	–	–	(111)	(111)	(111)
Long-term payables	19	–	–	(802)	–	(802)	(652)
Trade and other payables	22	–	–	(7,410)	–	(7,410)	(7,410)
		–	–	(9,722)	(111)	(9,833)	(9,683)

* excludes prepayments

31. Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities within the scope of FRS39 $'000	Other financial liabilities outside the scope of FRS39 $'000	Total carrying amount $'000	Fair value $'000
Company							
2014							
Long-term receivables	7	–	3,660	–	–	3,660	3,587
Trade and other receivables*		–	27,616	–	–	27,616	27,616
Other investments	11	1	–	–	–	1	1
Cash and cash equivalents	12	–	29,244	–	–	29,244	29,244
		1	60,520	–	–	60,521	60,448
Unsecured trust receipts	18	–	–	(3,668)	–	(3,668)	(3,668)
Finance lease liabilities	18	–	–	–	(59)	(59)	(59)
Long-term payables	19	–	–	(618)	–	(618)	(607)
Trade and other payables	22	–	–	(36,771)	–	(36,771)	(36,771)
		–	–	(41,057)	(59)	(41,116)	(41,105)
2013							
Long-term receivables	7	–	3,901	–	–	3,901	3,762
Trade and other receivables*		–	48,619	–	–	48,619	48,619
Other investments	11	1	–	–	–	1	1
Cash and cash equivalents	12	–	29,592	–	–	29,592	29,592
		1	82,112	–	–	82,113	81,974
Unsecured trust receipts	18	–	–	(1,510)	–	(1,510)	(1,510)
Finance lease liabilities	18	–	–	–	(88)	(88)	(88)
Long-term payables	19	–	–	(1,279)	–	(1,279)	(1,236)
Trade and other payables	22	–	–	(37,946)	–	(37,946)	(37,946)
		–	–	(40,735)	(88)	(40,823)	(40,780)

* excludes prepayments

32. Commitments

Operating lease commitments

Leases as lessee

At 31 December 2014, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Payable:				
Within 1 year	2,289	1,794	2,289	1,794
After 1 year but within 5 years	1,907	–	1,907	–
	4,196	1,794	4,196	1,794

The leases run for a period of 2 (2013: 6) years with an option to renew the leases after that date.

Leases as lessor

The Company leases out its investment properties and sub-lets its main head-quarters. Non-cancellable operating lease rentals are receivable as follows:

	Company	
	2014	2013
	$'000	$'000
Receivable:		
Within 1 year	758	788
After 1 year but within 5 years	569	–
	1,327	788

Capital commitments

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Capital expenditure contracted for as at reporting date but not recognised in the financial statements	–	3,231	65	5,100

Under the Shareholder Agreement entered into by the Company with AEL and AEL's other shareholder on 27 September 2011, the Company agreed to grant loans to AEL. The loans are to be made available in two phases:

(i) Phase 1 development of the prototype equipment – up to $1.0 million to be disbursed in one or more draw-downs solely for AEL's working capital purposes;

(ii) Phase 2 development of the equipment – the loan amount to be disbursed is subject to the written consent obtained from the Company's shareholders in a general meeting and the approvals by Singapore Exchange Securities Trading Limited. The disbursement of this loan is conditional upon approval from National Environment Agency for the use and operation of the prototype equipment and the installation and commercial use of the equipment in Singapore.

32. Commitments (cont'd)

Capital commitments (cont'd)

In the previous year, the Group has obtained the approval from National Environment Agency for the use and operation of the prototype equipment and the installation and commercial use of the equipment in Singapore. During the year, the Group has obtained approvals from the Singapore Exchange Securities Trading Limited and shareholders at an extra-ordinary general meeting to proceed with the Phase 2 development of the project.

Included in the Company's commitments is $5,100,000 relating to the loan to be disbursed to a subsidiary pursuant to the afore-mentioned Shareholder Agreement.

33. Related parties

Transactions with key management personnel

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

Key management personnel compensation comprised:

	Group	
	2014	**2013**
	$'000	**$'000**
Short-term employee benefits (including contributions to defined contribution plans)	949	1,253

Included in key management personnel compensation is remuneration of directors amounting to $485,000 (2013: $704,000). Directors' remuneration includes short-term employee benefits, contributions to defined contribution plans and allowances.

In the normal course of their business operations, the Company and some of its subsidiaries have transacted with certain affiliated companies in which certain directors and shareholders of the Company have substantial financial interests.

34. Litigation

On 29 December 2006, the Group had obtained an Interlocutory Judgment with costs against a supplier in respect of a construction project, with the quantum of damages to be awarded to the Group to be assessed by the Court in subsequent proceedings. The supplier's counterclaim against the Group was dismissed save for certain costs to be determined by the supplier. Based on the Assessment of Damages and the advice from independent experts engaged by the Group for the aforesaid proceedings, the Group had claimed against the supplier an aggregate sum of approximately $4.28 million.

34. Litigation (cont'd)

Final Judgment was delivered on 27 January 2010, whereby the supplier was ordered by the Court to pay the Group an aggregate sum of approximately $2.64 million, as well as interests and costs of the proceedings. Pursuant to the Group's demand, the supplier has paid the Group an aggregate sum of approximately $3.25 million (comprising the Judgment Sum and accrued interest on the same) on 2 February 2010. However, the costs of proceeding awarded (including the cost of appointment of the independent experts) under the Final Judgment have yet to be determined and paid by the supplier.

On the same date, the supplier has filed an appeal against the above Judgment. The Group had similarly appealed in respect of the liquidated damages in the sum of $0.84 million which was previously not allowed by court during the Final Judgment.

The cross-appeals Hearing was concluded on 19 September 2011 and the supplier's appeal was dismissed while the Group's appeal was allowed. Pursuant to the Group's demand, the supplier has paid the Group an additional aggregate sum of approximately $0.94 million (comprising the Judgment Sum and accrued interest on the same) on 3 October 2011.

On 10 October 2011, the supplier filed an appeal to the Court of Appeal against the above crossappeals Judgment. The appeal was then heard in the Court of Appeal on 15 and 23 October 2012 respectively.

The Group had recognised a part of the claim received amounting to $1.20 million based on management's best estimate of the claim that is likely to be retained by the Group, as "other income" in the year ended 31 December 2011.

On 14 March 2013, the Court of Appeal dismissed the supplier's appeal but required the Group to refund approximately $0.33 million of the payments received to date to the supplier.

On 29 November 2013, the Court of Appeal delivered a decision to accept the earlier findings on the outstanding counterclaims by the supplier, thereby dismissing the supplier's appeal against the crossappeals Judgment. The Group was also awarded additional sum of $1.60 million as reimbursement of the incidental costs incurred by the Group during the legal proceeding.

In view that a final verdict has been reached, the Group recognised the remaining $2.70 million claims received previously but deferred as other payables as well as the additional sum of $1.60 million awarded as "other income" in 2013.

35. Subsequent event

Subsequent to the balance sheet date, PT Cakra Compact Aluminium Industries, a dormant wholly owned subsidiary of the Company incorporated in Indonesia, was voluntarily liquidated.

Shareholdings Statistics

ANALYSIS OF SHAREHOLDINGS AS AT 18 MARCH 2015

TOTAL NUMBER OF SHARES ISSUED : 812,253,159
CLASS OF SHARES : ORDINARY SHARES
VOTING RIGHTS : ONE VOTE PER SHARE

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 --- 99	232	3.39	10,268	0.00
100 --- 1,000	2,675	39.04	1,099,585	0.14
1,001 --- 10,000	2,238	32.67	10,006,758	1.23
10,001 --- 1,000,000	1,656	24.17	144,180,997	17.75
1,000,001 AND ABOVE	50	0.73	656,955,551	80.88
TOTAL	6,851	100.00	812,253,159	100.00

NO.	NAME	NO. OF SHARES HELD	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	156,637,550	19.28
2	RAFFLES NOMINEES (PTE) LTD	137,881,585	16.98
3	CHNG GIM HUAT	128,000,000	15.76
4	SL CAPITAL VENTURES PTE LTD	35,000,000	4.31
5	MAYBANK KIM ENG SECURITIES PTE LTD	15,979,681	1.97
6	SINN KIT FOOK	13,600,000	1.67
7	NG LAY KHIM	11,700,000	1.44
8	OCBC SECURITIES PRIVATE LTD	11,422,950	1.41
9	LOW SOE ENG OR LENG BOON THAI	10,084,605	1.24
10	CHNG BENG HUA	9,500,000	1.17
11	UOB KAY HIAN PTE LTD	8,128,350	1.00
12	DBS NOMINEES PTE LTD	8,094,281	1.00
13	CHING WILSON TAN	7,378,000	0.91
14	CIMB SECURITIES (SINGAPORE) PTE LTD	6,882,807	0.85
15	WONG HAN MENG	6,419,000	0.79
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,863,713	0.72
17	NG KIAN GUAN	5,500,000	0.68
18	OH LEE LEE	4,900,000	0.60
19	TAN CHIN WAH	4,169,000	0.51
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,145,650	0.51
		591,287,172	72.80

REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2015

	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%
Chng Gim Huat	128,000,000	15.76	-	-
Ma Zhao Yang	117,500,000	14.47	-	-
Zhang Zeng Tao	117,500,000	14.47	-	-

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC

As at 18 March 2015, 53.52% of the issued share capital of the Company was held in the hands of the public (based on the information available to the Company). The Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Warrant Holdings Statistics

ANALYSIS OF WARRANT HOLDINGS - WARRANTS - W161110 AS AT 18 MARCH 2015

RANGE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 --- 99	35	2.56	1,731	0.00
100 --- 1,000	117	8.54	79,247	0.02
1,001 --- 10,000	516	37.66	2,569,046	0.72
10,001 --- 1,000,000	676	49.34	54,364,915	15.32
1,000,001 AND ABOVE	26	1.90	297,907,362	83.94
	1,370	100.00	354,922,301	100.00

NO.	NAME	NO. OF WARRANTS HELD	%
1	RAFFLES NOMINEES (PTE) LTD	120,893,100	34.06
2	CITIBANK NOMINEES SINGAPORE PTE LTD	120,500,000	33.95
3	LOW SOE ENG OR LENG BOON THAI	6,723,070	1.90
4	LEE VAN CHONG	5,209,000	1.47
5	CHING WILSON TAN	4,658,500	1.31
6	PHILLIP SECURITIES PTE LTD	3,810,794	1.08
7	TAN CHIN WAH	2,919,000	0.82
8	BOO SONG HENG PETER	2,844,600	0.80
9	OCBC SECURITIES PRIVATE LTD	2,834,680	0.80
10	CHNG BENG HUA	2,500,000	0.71
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,415,018	0.68
12	LOW CHIN YEE	2,307,500	0.65
13	VOZZA MOK JEK CHEOW	1,917,100	0.54
14	KOH BENG HONG MICHAEL	1,600,000	0.45
15	GOH BOON CHYE	1,529,000	0.43
16	SINN KIT FOOK	1,500,900	0.42
17	SIN PUI LAN	1,500,000	0.42
18	WONG HAN MENG	1,498,300	0.42
19	MAH SIEW CHUAN	1,494,000	0.42
20	OH CHEE LOK	1,461,000	0.41
		290,115,562	81.74

COMPACT METAL INDUSTRIES LTD
(the "Company")
(Company Registration No. 197500009H)
(Incorporated in the Republic of Singapore)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting ("AGM") of Compact Metal Industries Ltd (the "Company") will be held at 120 Pioneer Road, #01-03, Singapore 639597 on Monday, 27 April 2015 at 10.30am to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Directors' Report and the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr Ma Zhao Yang as Director pursuant to Article 104 of the Company's Articles of Association. **(Resolution 2)**
3. To re-elect Mr Zhang Zeng Tao as Director pursuant to Article 104 of the Company's Articles of Association. **(Resolution 3)**
4. To re-elect Mr Kan Ah Chye @ Kan Poh Thong as Director pursuant to Article 100 of the Company's Articles of Association. **(Resolution 4)**

   Mr Kan Ah Chye @ Kan Poh Thong, if re-elected as Director of the Company, will remain as the Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee. He is considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").
5. To approve payment of Directors' fees of S$103,000 for the financial year ending 31 December 2015 and to authorise the Directors of the Company an option to pay the said fees quarterly in arrears. (2014:$73,000) **(Resolution 5)**
6. To re-appoint KPMG LLP as auditors of the Company for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

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

8. Authority to Issue Shares

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

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

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

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

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

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

provided always that

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

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

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

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

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."
(See Explanatory Note 1) **(Resolution 7)**

BY ORDER OF THE BOARD

Heng Fook Chang
Ang Siew Koon
Company Secretaries

10 April 2015

Singapore

Notice of Annual General Meeting

Explanatory Notes:

1. Resolution 7, if passed, will authorise and empower the Directors of the Company from the date of the above AGM until the next AGM to issue shares in the capital of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

2. For the purpose of Resolution 7, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and the second named proxy as an alternate to the first named.
3. A proxy need not be a member of the Company.
4. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at 120 Pioneer Road, #01-03, Singapore 639597 not later than 48 hours before the time appointed for the AGM.

Personal data privacy:

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

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COMPACT METAL INDUSTRIES LTD
(Company Registration No.: 197500009H)
(Incorporated in the Republic of Singapore)

PROXY FORM
FOR ANNUAL GENERAL MEETING

IMPORTANT:
1. For investors who have used their CPF monies to buy ordinary shares in the capital of Compact Metal Industries Ltd, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

(PLEASE SEE NOTES OVERLEAF BEFORE COMPLETING THIS FORM)

I/We ____________________ (Name)____(*NRIC/Passport No.) of

____ (Address)

being a member/members of **COMPACT METAL INDUSTRIES LTD** (the "**Company**"), hereby appoint:–

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

*and/or

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

or failing *him/her, the Chairman of the 40th Annual General Meeting (the "Meeting") as *my/our proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Meeting of the Company to be held at 120 Pioneer Road, #01-03, Singapore 639597 on Monday, 27 April 2015 at 10.30am 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 or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

Resolutions No.	Ordinary Resolutions	For	Against
Resolution 1	Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' Report and Auditors' Report.		
Resolution 2	Re-election of Mr Ma Zhao Yang		
Resolution 3	Re-election of Mr Zhang Zheng Tao		
Resolution 4	Re-election of Mr Kan Ah Chye @ Kan Poh Thong		
Resolution 5	Approval of Directors' fees of S$103,000 for the financial year ending 31 December 2015 and to authorise the Directors of the Company an option to pay the said fees quarterly in arrears.		
Resolution 6	Re-appointment of KPMG LLP as Auditors.		
Resolution 7	Authority to issue new shares.		

(Please indicate your vote "**For**" or "**Against**" with a tick [√] within the box provided.)

Signed this ________ day of _________________ 2015.

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s) or Common Seal

*Delete accordingly

IMPORTANT:–
Please read the notes overleaf:

Notes:-

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and the second named proxy as an alternate to the first named.
3. 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 common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 120 Pioneer Road, #01-03, Singapore 639597 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Personal data privacy:

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

Fold along this line

Affix
Postage
Stamp
Here

The Company Secretary

Compact Metal Industries Ltd

120 Pioneer Road #01-03

Singapore 639597

Fold along this line

Compact

Compact Metal Industries Ltd

SINGAPORE OFFICE

PROJECT DIVISION

Compact Metal Industries Ltd
Compact Metal Ind. Pte Ltd
120 Pioneer Road,
Singapore 639597
Tel : (65) 68633268
Fax : (65) 68633968
Email : Info@compact.com.sg
Website : www.compact.com.sg

FacadeMaster Pte Ltd
120 Pioneer Road, #04-01
Singapore 639597
Tel : (65) 68633268
Fax : (65) 68630718
Email : facade@facademaster.com.sg

ALUMINIUM EXTRUSION AND RELATED PRODUCT DIVISION

Integrate Private Limited
Integrate Marketing Pte Ltd
Aluform Marketing Pte Ltd
120 Pioneer Road,
Singapore 639597
Tel : (65) 68979780
Fax : (65) 68979738
Email : Info@integrate.com.sg
Info@integratemkt.com.sg
Info@aluform.com.sg
Website : www.integrate.com.sg
www.integratemkt.com.sg
www.aluform.com.sg

MALAYSIA OFFICE

ALUMINIUM EXTRUSION AND RELATED PRODUCT DIVISION

Compact Metal Industries Sdn. Bhd.
35½ Miles, Jalan Johor Bahru /
Ayer Hitam, 81000 Kulai, Johor,
Malaysia
Tel : (60) 76513699
Fax : (60) 76513491
Email : cmisb@compact.com.my

Selaco Aluminium Berhad
Lot 280 Jalan Timah
Pasir Gudang Industries Estate
81700 Pasir Gudang, Johor Bahru,
Malaysia
Tel : (60) 72515262
Fax : (60) 72515287
Email : info@selaco.com.my
Website : www.selaco.com.my

creativplus
defy the limits of creativity +65 6250 5998