apoil

ANNUAL REPORT 2014

環球石油常年报告

AP Oil International Limited

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Vision Statement

To be a reputable global leader in the lubricant and speciality chemical industry, delivering world class quality products and services to meet ever changing market requirements.

愿景

成为一家声誉卓越的国际性润滑油与特殊化工制造商，为日新月异的市场提供世界级的优质产品与服务。

The infinity icon of the logo symbolizes a world of unlimited possibilities. This reflects our philosophy of "All Possibilities" (AP), our aspiration to create and explore endless business opportunities in the oil industry and beyond. Marine blue signifies resources and strength. The evolving shades of blue, conveying dynamism and mobility, depicts our creative energy and progressive spirit in pursuit of growth in the ever changing world. The green element underscores our commitments to environmental friendliness and corporate social responsibility.

公司标志的双环图像代表无穷大的境界，无限的机遇。我们会在石油化工及集团经营的其他领域不断寻找无限商机，为争取优越表现而不懈地努力。海蓝色象征才智与资源。色调递变，青出于蓝，更甚于蓝，那是日新月异世界中力争上游创新进取的精神。青绿色是和谐与融洽的涵意，表示我们对环保与履行企业社会责任的承诺。

Chairman's Message
主 席 献 词

"The Group achieved a turnover of S$78.4 million in FY2014...... The net profit of S$5 million in FY2014 represented an increase of 9% on year to year basis."

"We will continue our two-pronged strategy via organic growth to increase our market share and via M&A to foray into untapped territories."

"Barring any unforeseen circumstances, we expect the performance and outlook of the Group for FY2015 to remain healthy."

"2014财政年度集团全年营业额达到7840万新元。税后净利润达500万新元，同比增长9%。"

"我们将继续贯彻双管齐下的经营方针，即一方面开展有机增长以提高市场占有率；另一方面则寻求通过兼并与收购（M&A）或联营，进军尚未开发的新领域与新业务。"

"若无重大事故发生，管理层对集团2015财年的业绩和前景怀乐观态度。"

Review of FY2014

The Group achieved a turnover of S$78.4 million in FY2014, 22% higher than that of the previous financial year. The higher revenue was driven largely by increased trading and franchising activities.

The net profit of S$5 million in FY2014 represented an increase of 9% on year to year basis.

Mergers & Acquisitions (M&A) strategy has contributed positively to the Group's performance. Our financial positions remained healthy on the Group level as well as on individual company levels.

Group cash and cash equivalents increased 19% to S$31.3 million. This was mainly attributable to net increase in cash flow from operating activities.

2014年业绩

2014财政年度集团全年营业额达到7840万新元，与2013年相比上升了22%。税后净利润达500万新元，同比增长9%。

就集团整体及个别公司层面上看，我们的财务状况都处于稳固与良好水平。

现金储备从2013年的2620万新元上升19%至2014年的3130万新元。这主要是得益于经营活动产生的净现金额的继续增长。

我们的股票每股盈利为2.88分。净资产值也在2014年上升13.2%至每股28.17分。

在全球经济与市场氛围欠佳的情况下，我们能在2014年度取得不错的表现，这与集团推行的企业并

Earnings per ordinary share in FY2014 was 2.88 cents. The net asset value per share rose 13.2% to 28.17 cents as of December 31, 2014.

购策略凑效息息相关。这几年来集团并购的几家公司不但为我们分散了经营上的风险，而且在利润方面作出不小的贡献。

Outlook & Prospects

We will continue our two-pronged strategy via organic growth to increase our market share and via M&A to foray into untapped territories.

China remains a key focus of growth for our lubricant business. Plans are in place to scale up operations to take advantage of the vast market in the world's second largest economy.

A wholly owned company has been established in February 2015 in Shanghai, namely AP Oil Singapore (Shanghai) Limited, 星环润滑油(上海)有限公司. This subsidiary will serve as a base camp and eventually our China HQ for all the company's lubricant business in mainland China.

An agreement has been signed to form a joint venture (JV) in Chongqing. This JV will cover the lubricant market of Western China.

With strong financial position, we have been constantly exploring more opportunities in M&A, business alliances and partnerships to grow our businesses, particularly in Singapore, Vietnam, Myanmar and China.

In January 2015, the Group acquired 60% equity of a local chemical trading company, Heptalink Chemicals Pte. Ltd. Established in 2011, Heptalink has historically been profitable.

Meanwhile, our subsidiary GB Chemicals has disposed of its 38% stake in an associate, SLUS, for a cash consideration of about S$2 million. This profitable deal will be reflected financially in FY2015.

展望前景

我们将继续贯彻双管齐下的经营方针，即一方面开展有机增长以提高市场占有率；另一方面则寻求通过兼并与收购（M&A）或联营，进军尚未开发的新领域与新业务。

中国是我们接下来发展润滑油业务的重点。针对这个巨大潜能的世界第二大经济体，我们正采取各种策略在不同地理区域开拓市场。

今年2月，我们在上海设立了全资子公司，即星环润滑油(上海) 有限公司。这家子公司将作为本集团在中国的大本营或总部，负责协调与监管所有润滑油业务活动。

此外，我们也已与重庆的资深润滑油业同行签约设立联营企业，发展中国西部市场。

鉴于集团的良好财务状况，我们将持续关注并购、联盟以寻求发展核心业务的机会。这方面我们把注意力聚焦在新加坡、越南、缅甸及中国市场。

2015年1月，集团收购了本地一家化工贸易公司(Heptalink化工私人有限公司)的60%股权。这家公司过去几年都保持盈利，我们寄望此子公司为集团收入增长做出贡献。

与此同时，集团子公司 – GB化工有限公司也以现金约200万新元的利润卖掉了一家联营企业的38%的股份。这项投资利润会体现在2015年度的财务报表。

Given the uncertainties of the global economy and the volatility of oil prices, the business environment in 2015 is expected to be challenging. However, we believe the overall businesses of our major subsidiaries and joint ventures should remain resilient.

Barring any unforeseen circumstances, we expect the performance and outlook of the Group for FY2015 to remain healthy.

鉴于目前全球经济不稳以及油价波动，预计2015年的商业环境仍充满挑战。但是，我们相信集团及主要子公司和合资企业的整体业务将持续保持良好。

若无重大事故发生，管理层对集团2015财年的业绩和前景怀乐观态度。

Dividend

The Board of Directors is pleased to announce an interim exempt (one-tier) dividend of 0.50 cent per ordinary share for FY2014.

派发股息

董事会欣然宣布为2014年度派发税后每股0.50分的中期股息以酬谢股东们对集团的支持。

Acknowledgements

On behalf of the Board of Directors, I would like to extend my utmost appreciation and gratitude to our business partners, customers, suppliers and shareholders for your support. I would also like to thank all staff members of the Group for your commitment and dedication.

We look forward to your continued support and contribution.

鸣谢

我谨此代表董事部向我们的业务伙伴、客户、供应商以及股东们在过去一年里对本集团的支持，致以万分的谢意。我也借此机会感谢全体同仁为公司作出的努力和贡献。

期待大家在新的一年里对本集团继续保持信心和支持。谢谢各位。

My best wishes,

Dr Ho Leng Woon
Chairman and CEO

献上祝福！

何能恩博士
主席兼总裁

Board of Directors
董 事 部

Dr Ho Leng Woon
何能恩 博士
Chairman & Managing Director
主席兼总裁
Member, Audit Committee

Dr Ho has been Chairman and Managing Director of the Group since 1983. Apart from masterminding the Group's corporate policy, enterprise directions and business planning, he also oversees marketing strategy and R&D in AP Oil. Dr Ho is also Chairman of AP Saigon Petro Joint Stock Co Ltd, a joint venture in Vietnam.

He holds a B. A. (1st Class Hons) Degree from Nanyang University, a PhD (Degree) from the University of Hull, England and a diploma in Management Studies from Graduate School of Business, the University of Chicago. He is a member of the Society of Tribologists and Lubrication Engineers, USA. Before joining the company in 1981, he was bonded by Singapore Government to serve in the Public Utilities Board for 5 years and left as a Senior Hydrologist.

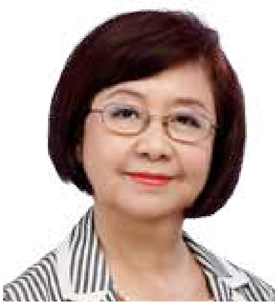
As an active participant in community services and charitable activities for the last three decades, Dr Ho has been on the management board of Anglican High school, The Chinese High School, Hwa Chong Institution and Hwa Chong Intl. School. He also has served as President of St John Brigade (Zone 2) and as Honorary Consul the Republic of Djibouti in Singapore, etc.

身为集团主席与总裁，何博士除了主导集团的政策方针、企业计划外，也负责主持母公司的市场策略与研发部的活动。他兼任越南合资企业，环球西贡石油联合股份公司的董事长。

1972年从南洋大学 （甲等荣誉学位） 毕业后，他获新加坡科学局奖学金赴英国赫尔大学考取博士学位。何博士拥有美国芝加哥大学商科研究院管理文凭，也是美国摩擦学及润滑工程师协会的会员。1981年加入集团前，何博士曾在公共事业局水务署服务5年，担任高级水文专家职位。

何博士过去30多年踊跃参与公共及社区服务，尤其在教育与医护方面。历任圣公会中学，华中初级学院，华侨中学及华中国际学校等管委会董事，圣约翰救伤队第2区的主席，善济医社理事及吉布提共和国驻新加坡荣誉领事等等。

Board of Directors
董 事 部



Ms Lau Woon Chan
刘焕珍 女士
Director
执行董事
Member, Remuneration Committee

Ms Lau is one of the founders of the company (formerly known as Huan Chew Oil Trading Pte Ltd established in 1975). She is responsible for financial management and assists the Managing Director in exploring and evaluating new business opportunities and shaping the group's policy and strategy. She also looks after the financial matters of the subsidiary, A.I.M. Chemical Industries Pte Ltd.

She is also on boards of the Group's major subsidiaries namely Alpha Pacific Petroleum (S), GB Chemical, AP Energy and Resource, etc.

Ms Lau graduated from Nanyang University with a Bachelor of Arts Degree. Before joining the company, she worked in private firms and with Banque IndoSuez (Singapore) as a bank officer.

刘女士是公司（前为1975年成立的环球石油贸易私人有限公司）创办人之一是集团的老臣。现任集团执行董事，她督导公司的财务管理，也协助拟定公司政策和探索及评估新商机。她负责全资子公司A.I.M.化工有限公司的财务管理工作。同时也是多间集团主要子公司的董事。

刘女士获南洋大学文学学士学位，创业前曾在法国东方汇理银行（新加坡分行）任职。

Mr Chang Kwok Wah
曾觉华 先生
Director
执行董事

Mr Chang was appointed to the Board of AP Oil in 2004 and is taking charge of risk management of the group. He is Managing Director of the group's wholly owned subsidiary, A.I.M. Chemical Industries Pte Ltd. He plays a leading role in business development, sales, finance, production, and general administration for the subsidiary.

He holds a Masters Degree in Business Administration (MBA) from Brunel University, U.K. and is an Associate Member of Chartered Secretaries, Australia.

自2004年开始，曾先生受委为集团的执行董事，负责统筹集团的风险管理与协助评估新业务开拓。他是集团全资子公司A.I.M.化工有限公司的总裁。子公司的管理工作包括业务发展、销售、财务、生产及行政等都由他领导。

曾先生拥有英国布鲁耐尔大学的工商管理学硕士学位。他也是澳大利亚特许秘书的会员。

Board of Directors
董 事 部

Mr Ho Chee Hon
何其泓 先生
Director
执行董事
Group Deputy C.E.O
集团副总裁

Mr Quah Ban Huat
柯万法 先生
Independent Director
独立董事
Chairman, Audit Committee
Chairman, Remuneration Committee
Member, Nominating Committee

Mr Ho was appointed to the board in July 2009 and promoted to Group Deputy CEO in September 2012. His responsibilities, apart from assisting the CEO in overall corporate directions, business policy and strategic planning, include overseeing day-to-day operation of lubricant business and looking after the local sales activities.

He is on boards of all the group's subsidiaries and associates, namely Alpha Pacific Petroleum (S), A.I.M Chemicals, GB Chemicals, Alpha Pacific Dev. Holding, AP (Vietnam) Holding, AP Energy & Resources, AP Saigon Petro JSC, etc.

With a Bachelor of Laws (Honors) from National University of Singapore and also a Master of Laws (Taxation) from Washington University in St. Louis, USA, Mr Ho practised as a lawyer with Messrs Rodyk & Davidson before joining the Group.

何先生于2006年1月加入集团为经理兼律师。2009年7月开始任执行董事，2012年9月升为集团副总裁。他除了协助集团规划整体发展方向、企业政策以及策略计划外， 也负责督导日常润滑油业务、新加坡区的销售活动及部分海外主要客户。同时，他也是集团所有子公司与联营企业的董事。

何先生是一名专业律师，曾任职于本地著名的瑞得律师楼。他获得新加坡国立大学法律荣誉学位，也拥有美国华盛顿大学法律硕士(税务法)学位。

Mr Quah was appointed as an Independent Director on 1 November 2010. He is currently a consultant at KPMG Services Pte Ltd and Chairman of Primeur Holdings Pte Ltd. Prior to this, Mr Quah was Chief Financial Officer of Rickmers Trust Management Pte Ltd, Trustee Manager of Rickmers Maritime and has held various key finance positions including Chief Financial Officer and Financial Adviser of City Gas Pte. Ltd., Regional Business Area Controller at Deutsche Bank and Group Finance Director of the IMC Group.

Mr Quah is also a director at Samudera Shipping Line Ltd and Croesus Retail Asset Management Pte. Ltd.

He has more than 20 years of experience in investments, finance and accounting, including fund raising, listing and initial public offerings, debt financing and tax planning. He is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants.

柯先生于2010年11月1日加入集团就任独立董事。他目前是KPMG 的顾问和 Primeur 控股的主席。在此之前，他曾先后担任瑞克麦斯信托管理公司财务主管、瑞克麦斯海事董事经理、城市煤气私人有限公司财务主管和财务顾问、德意志银行区域业务主管和万邦集团财务总监等职务。

柯先生还是萨姆达拉船务有限公司和Croesus商业资产管理的董事。

他拥有20年投资、金融和财务方面的从业经验，包括资金募集、挂牌上市、债务融资和税务筹划等。柯先生是英格兰及威尔士特许会计师协会的会员，同时也是特许公认会计师公会的资深会员。

Board of Directors
董 事 部

Mr Tan Woon Hum
陈恩涵 先生
Independent Director
独立董事
Chairman, Nominating Committee,
Member, Audit Committee
Member, Remuneration Committee

Tan Woon Hum is our Independent Director and was appointed as Director on 31 Jan 2006. He is currently a partner of Shook Lin & Bok LLP, a Singapore law firm and has been with the firm since December 2003.

Mr Tan graduated from the National University of Singapore with a Bachelor of Law Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996. He obtained his MBA (Finance) from the University of Leicester in 1999. He has been in private legal practice since 1996 and he specialises in trust, asset and wealth management.

He advises on the establishment of traditional and alternative funds including licences and exemptions, as well as the establishment and initial public offering (IPO) of REITs (having been involved in almost all the listed S-REITs and most of the S-REITs IPOs). He also advises on trusts, family trusts, family offices, wealth protection and succession matters. He is a frequent speaker at public conferences held in Singapore and Hong Kong on funds, regulatory, REITs and other legal issues. Mr Tan is also an independent director of Ezion Holdings Limited, Yong Xin Intl Holdings Ltd.

陈律师从2006年1月开始担任集团的独立董事。他自2003年12月至今是旭龄及穆律师楼的合伙人。

他1995年在新加坡国立大学获得法律学位，1996年任新加坡高庭律师。1999年，他获得英国莱斯特大学商业金融管理硕士学位。

他专长于信托，资产，和财富管理，也为传统和特别基金提供顾问服务，这包括基金的申请、设立、和挂牌上市。他尤其擅长的新加坡房地产投资信托和新加坡房地产投资信托的上市公开募股。他也为信托、家庭公司、财富保值和企业继承提供咨询。他也经常在新加坡和香港的公开论坛发表关于基金、管理法规和房地产信托等的演讲。他目前也是 Ezion Holdings Limited，Yong Xin Intl Holdings Ltd. 的独立董事。

Key Executives of Subsidiaries
子 公 司 主 管 简 介

Mr Chang Kwok Wah
曾觉华 先生
Managing Director
总裁
A.I.M. Chemical Industries Pte Ltd
A.I.M. 化工有限公司

A.I.M. Chemicals was established in 1976. Mr Chang joined service in 1983 and had been Managing Director of the company since 1992. A.I.M. became the Group's wholly-owned subsidiary in 2001, Mr Chang has since continued to serve as Managing Director. He plays a leading role in business development, sales, finance, production, and general administration for the subsidiary.

He holds a Masters Degree in Business Administration from Brunel University, United Kingdom and is an Associate Member of Chartered Secretaries, Australia.

A.I.M. 化工成立于1976年。曾先生于1983年加入A.I.M. 服务，1992年升任董事经理。2001年集团收购 A.I.M. 成 为属下全资子公司，曾先生受委继续担任总裁，负责全公司的领导工作包括业务发展、销售、财务、生产及行政等。

自2003年开始，曾先生也受邀成为集团董事部成员，负责风险与新业务发展评估工作。

曾先生拥有英国布鲁耐尔大学的工商管理学硕士学位。他也是澳大利亚特许秘书的会员。

Mr Alphonsus Chua
蔡福有 先生
Managing Director
总裁
GB Chemicals Pte Ltd
GB 化工有限公司

Mr Chua founded GB Chemicals Pte Ltd in 1996, which was 100% acquired by the group in 2004. He is responsible for the company's overall management, planning and daily business activities. He also oversees the business development and looks after the company's key accounts.

Mr Chua is also on board of Systematic Laundry & Uniform Service Pte Ltd, an associate company acquired by GB in Sept 2009.

He has over 30 years of experience in the specialty chemical industry. He was Regional Manager for 10 years with Gibson Chemicals, an Australian company.

蔡先生于1996年创立GB化工有限公司。集团在2004年全面收购GB化工，委任蔡先生为总裁。他负责公司的整体管理、规划及日常业务运作，也照料公司的主要客户。

2009年9月 GB 化工入股希士顿洗涤及制服有限公司，至2014年12月蔡先生也是此联营公司的董事。

蔡先生在化工业拥有近30年的经验。在创立GB化工之前，他曾经担任为澳大利亚公司 Gibson 化工的区域经理长达10年。

Key Executives of Subsidiaries
子 公 司 主 管 简 介

Mr Song Koon Poh
宋坤宝 先生
Managing Director
总裁
Heptalink Chemicals Pte. Ltd.
Heptalink 化工私人有限公司

Heptalink Chemicals Pte Ltd was set up by Mr Song in 2011 with two partners to trade bulk petrochemicals, etc.

In January 2015, AP Oil International Ltd acquired 60% equity of Heptalink with other 40% held by Mr Song.

As Managing Director, Mr Song is responsible for overall management and day to day operation of Heptalink. With more than 40 years experience, Mr Song is a veteran in various chemical trading arenas.

Mr Song joined Shell Bukom refinery in 1971 and was transferred to Shell Chemicals in 1984 started his career in sales and marketing of hydrocarbons/aromatics solvents and base chemicals. In 1987, he was deployed to develop the markets in SE Asia & India.

He moved to the Glycols business unit in 1989. In 1992, he was appointed styrene monomer product manager covering plant execution, marketing & sales in Asia Pacific & Middle East. Over his 9 years stint in managing the Styrene Monomer unit, his sales team were awarded Shell Chemicals global Champions of Excellence in 3 years' running (1999/2000/2001).

After 32 years of service in Shell, he opted for early retirement in 2003. During 2004-2010, Mr Song represented American trading conglomerate, ICC Chemicals Corpn (NY) for their SE Asian market.

宋坤宝先生于2011年与两位伙伴创立 Heptalink 化工有限公司。公司主要从事化工产品的贸易和批发。

2015年1月，环球石油收购 Heptalink 化工的 60% 股权，宋先生拥有其余的40%股权。身为 Heptalink 的总裁，宋先生负责主管打理公司及其日常营运。他在化工业贸易界有近40年资深的工作经验。

宋先生于1971年加入壳牌炼油厂。1984年，转到壳牌化工的销售和市场营销部门，参与开发印度和东南亚市场。

1989年，他负责乙二醇业务部，之后担任苯乙烯单位的产品经理。他带领下的销售团队连续三年荣获壳牌化工全球卓越奖冠军。

宋先生为壳牌服务32年，并在2003年选择提早退休。一年后，宋先生被聘为美国贸易集团ICC化工（纽约）公司的代表，负责东南亚市场直至2010年。

Group Financial Highlights
集 团 财 务 摘 要

Years		FY2014	FY2013
Revenue ($)	收入	78,417,000	64,450,000
Gross profit ($)	毛利	13,699,000	13,324,000
Gross profit margin	%	17.47	20.67
Net profit before tax ($)	税前利润	5,529,000	5,137,000
Net profit before tax margin	%	7.05	7.97
Net profit after tax ($)	税后净利润	4,995,000	4,563,000
Net profit after tax margin	%	6.37	7.08
Total assets ($)	总资产	55,289,000	50,585,000
Total liabilities ($)	总负债	8,943,000	9,630,000
Total equity ($)	权益总额	46,346,000	40,955,000
Earning per share[a] (cents)	每股净利（分）		
- Basic		3.04	2.77
- Diluted		3.04	2.77
Net tangible asset backing per ordinary share[b] (cents)	每股有形资产值（分）	28.17	24.89

Notes on the number of shares:	FY2014	FY2013
a. Weighted average	164,531,172	164,531,172
b. Total number of ordinary shares	164,531,172	164,531,172

Review of Operations
营 运 总 结 报 告

Subsidiaries and Joint-Venture

In late December 2014, GB Chemicals, our wholly owned subsidiary, sold its 38% equity stake in Systematic Laundry & Uniform Services Pte Ltd (SLUS) for a cash consideration of about S$2 million. This profitable transaction will be reported in FY2015.

The Group acquired 60% equity of a local chemical trading company, Heptalink Chemicals Pte. Ltd in January 2015. This company was set up in 2011 and has been profitable. After acquisition, Heptalink has moved to 8 Shenton Way, #50-01, AXA Tower, Singapore 068811 (see photo).

In February 2015, the Group established a wholly owned subsidiary in Shanghai, AP Oil Singapore (Shanghai) Limited, 星环润滑油(上海)有限公司. Located at Shanghai's Financial District - 23rd floor Citigroup Tower, 33 Huayuanshiqiao Road (see photo), this Shanghai Company will serve as Group's HQ in China.

An agreement has also been signed to set up a new joint venture (JV) in Chongqing to market AP lubricant products in Western China.

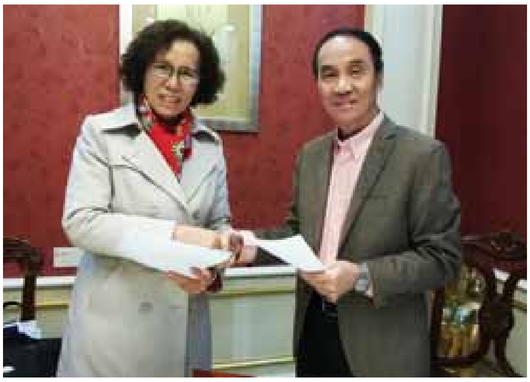
子公司与联营企业

2014年12月底，集团全资子公司 – GB化工以现金约200万新元，卖出其联营公司（希士顿洗涤及制服有限公司）的38%股权。这项交易的投资利润将体现于2015年的财务报表。

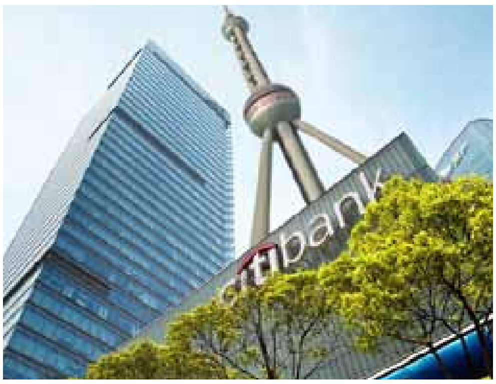
2015年1月集团收购了本地一家化工贸易公司– Heptalink化工的60%股权。Heptalink自2011年创立至今都有盈利。此子公司以迁入珊顿取8号的AXA大厦50楼新址。

在新加坡政府国际企业发展局的协助下，今年2月我们在上海的全资附属公司，即星环润滑油(上海)有限公司正式成立。此子公司位于上海金融区 – 浦东花园石桥路的花旗大厦。上海公司将作为集团在中国境内润滑油业务的大本营。

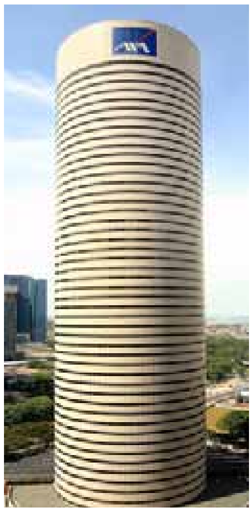
此外，集团也已与重庆一个拥有二十多年经验的润滑油企业签约共组联营企业，已开发中国西部地区市场。



Signing of JV agreement in Chongqing early 2015
设立重庆联营公司的签约仪式



AP Oil Singapore (Shanghai) Ltd. in Pudong Financial Centre, Citigroup Tower
设在上海浦东金融区的星环润滑油(上海)有限公司



Heptalink Chemical Pte Ltd at AXA Building, Shenton Way
Heptalink 的办公室设在珊顿道AXA大厦

Performance by Business Segments

Manufacturing

Manufacturing segment accounted for 50.9% or S$39.9 million of the Group's revenue in FY2014, compared to that of S$39.2 million in FY2013. The manufacturing activities here refer to the blending of lubricating oils and specialty chemicals.

The Group operates two lubricant blending plants in Singapore. The joint-venture lube plant in Vietnam, AP Saigon Petro JSC, achieved a better bottomline in 2014.

Our two wholly owned subsidiaries in the Republic, A.I.M. Chemical Industries and GB Chemicals, are primarily engaged in the manufacturing of specialty chemicals.

各业务领域表现

制造业务

制造业务占集团2014年度总收入的50.9%，从上年的3920万新元增至3990万新元。制造业活动包括生产润滑油和特种化学品。

我们在新加坡拥有2家润滑油调配厂。在越南的润滑油联营企业，AP西贡石油联合股份公司在2014年的表现良好。

两家全资子公司，A.I.M化工和 GB 化工主要从事特殊化工产品制造活动。

Import of bulk base oils through Alpha Pacific Jetty & Terminal 太平洋石油码头罐区接受进口基础油

Trading

The trading activities cover purchase and sales of raw materials used for lubricants and specialty chemicals manufacturing, i.e. base oils, additives, and chemicals as well as some finished products which we do not produce.

This segment accounted for 24.7% or S$19.4 million of Group's revenue in FY2014, compared to 19.5% or S$12.6 million in FY2013.

The Group will continue to put in effort to improve trading activities in the form of direct shipments, which could significantly enhance efficiencies and save on operating costs.

贸易活动

生产润滑油的原料包括了基础油，添加剂的交易是贸易活动收入的主要来源。此外还有一部分是制造特殊化工品的化学原料。

贸易销售额占集团的总收入，从上年19.5%增至2014年的24.7%，达1930万新元。

本集团将继续促进从供应地直运到客户的交货方式，已有效地提高效率，节省运营成本。

Franchising

The franchising segment locked in sales of S$19.1 million or 24.4% of the total revenue, compared to 19.6% or S$12.7 million in the previous financial year.

Our franchising programmes include designs of plant and machinery, the setting up of laboratory, technology transfer, product formulation, staff training, use of our trademarks, etc. The bulk of revenue comprised sales of raw materials to our franchisees for producing lubricants under our brand names.

The higher revenue growth in FY2014 came mainly from Bangladesh, where we have two franchising programmes. The SIN-O lube brand was introduced in 1997, while the AP brand has just started in 2014.

Performance by Geographical Markets

We produce and export a full range of lubricants and specialty chemicals to some 20 countries and regions. Our main markets in FY2014 were Singapore, Vietnam, Bangladesh, Myanmar, Indonesia and the Philippines.

Based on the FY2014 revenue breakdown, Singapore remained the single largest market for the Group, accounting for 51.7% or S$40.5 million of overall revenue. This figure, however, included marine lubricants sold to overseas clients but delivered to foreign vessels calling at Singapore, as well as specialty chemicals sold to Singapore-based multinational companies (MNCs) which were subsequently re-exported to other countries.

Revenue from business activities in Bangladesh weighed in at S$9.0 million or 11.5% of overall revenue. Vietnam, Myanmar and Philippines accounted for 26.1% or S$20.5 million of the Group's total sales. Other countries accounted for 10.7% or S$8.4 million of total revenue.

特许经营

特许经 l营活动占集团的总收入，从上年19.6%增至2014年的24.4%，达到1910万新元。

特许经营项目主要针对润滑油业务，包括厂房和设备规划，设立实验室，技术转让，产品配方，职员培训，商标使用与产品开发。其中加盟商的原材料采购以生产我们品牌的润滑油是主要收入来源。

2014年收入提高主要得益于集团在孟加拉国和越南的业务增加。

在孟加拉国的特许经营主要有SIN-O和AP两个品牌。SIN-O品牌早在1997年进入该国市场，而AP品牌则刚于2014年才引进。

区域市场表现

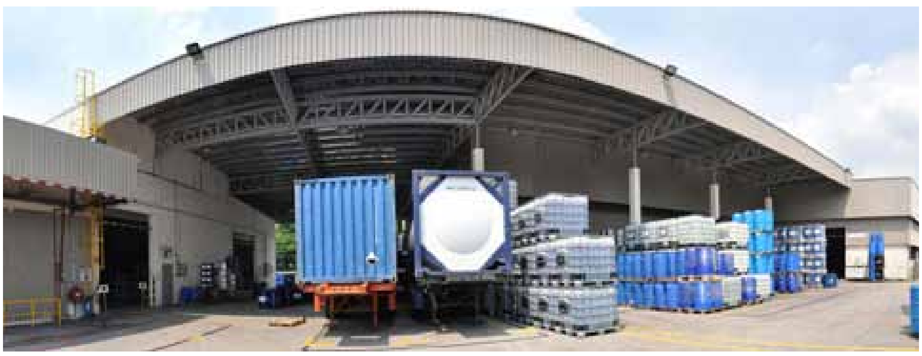
集团生产和出口一系列的润滑油和特种化学品至20多个国家和地区。2014年我们的主要市场是新加坡，越南，孟加拉，缅甸，印尼和菲律宾。

以统计数字，新加坡仍是集团最大的市场，占总收入的51.7%或4050万新元。不过，必须指出的是这个数字包括了卖给外国客户的机油，以供应给停泊在新加坡港口的外轮。同时，也包括了供应给跨国企业在新加坡子公司的特殊化工品由他们再出口至世界各地。

集团在孟加拉的经营额占总收入的11.5%或900万新元。

越南，缅甸和菲律宾三国占集团2014年度销售总额的26.1%共计2050万新元。

其他市场则占总收入的10.7%共840万新元。



A.I.M. Chemical Warehouse
子公司 A.I.M. 的仓库

Corporate Governance Report
企 业 监 管 声 明

The Board of Directors (the "Board") and its Management believe in having high standards of corporate governance, and are committed to making sure that effective self-regulatory corporate practices exist to protect the interests of its shareholders and maximize long-term shareholder value.

This report describes the Group's corporate governance structures and practices that were in place throughout the financial year ended 31 December 2014, with specific reference made to the principles of the Code of Corporate Governance 2012 (the "CG 2012"). Where there are deviations from the Code, appropriate explanations are provided.

The Board is pleased to confirm that for the financial year ended 31 December 2014, the Group has adhered to the principles and guidelines as set out in the Code 2012 where appropriate.

A. BOARD MATTERS

The Board's Conduct of its Affairs

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

The Board is entrusted with the responsibility of the overall management of the Company. The principal function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board's role is to:

a) Provide leadership, set aims, broad policies, strategies and ensuring resources are in place to achieve the objectives of the Company;

b) Establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;

c) Review management performance, approve annual budgets, funding requirements, expansion programs, capital investment and major acquisitions and divestments proposals;

d) Identify the key stakeholder groups and recognize that their perceptions affect the company's reputation;

e) Set the company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

f) Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;and

g) Assume responsibility for corporate governance.

There is an objective decision-making process, which allows each director to engage in constructive discussion and make decision in the best interests of the Company. To assist in the execution of its responsibilities, the Board has delegated some responsibilities to specific committees namely, the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC"). The Board Committees operate under clearly defined terms of reference. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company. The Board acknowledges that while these Board Committees have the authority to deal with certain issues and present their findings and decisions to the Board, the ultimate responsibility for these decisions lies with the Board. Minutes of all Board Committee meetings held are made available to the Board members.

A schedule of Board and Board Committee meetings to be held for the calendar year is usually provided to the directors. The Board meets at least two times a year. In addition to the scheduled meetings, ah-hoc board briefings, conference calls and physical meetings are held as warranted by particular circumstance or as deemed appropriate by the Board members. The Company's Articles of Association permits meetings of the Directors to be conducted by telephone or other methods of simultaneous communication by electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

A record of the directors' attendances at Board and Board Committee meetings during the financial year ended 31 December 2014 is disclosed as follows:

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings	Attend-ance	No. of meetings	Attend-ance	No. of meetings	Attend-ance	No. of meetings	Attend-ance
Dr Ho Leng Woon	2	2	-	-	-	-	-	-
Mdm Lau Woon Chan	2	2	-	-	-	-	2	2
Mr Ho Chee Hon	2	2	2	2	1	1	-	-
Mr Chang Kwok Wah	2	2	-	-	-	-	-	-
Mr Tan Woon Hum	2	2	2	2	1	1	2	2
Mr Quah Ban Huat	2	2	2	2	1	1	2	2

The Group has adopted guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines include:

- Strategies and objectives of the Group;
- Announcement of half-year and full year results, and release of annual reports;
- Issuance of securities;
- Declaration of interim dividends and proposed final dividends;
- Convening of shareholders' meetings;
- Material acquisition/investment, divestment or capital expenditure; and
- Corporate or financial restructuring.

Newly appointed directors undergo an orientation session, which include presentation by Management to familiarize them on the Group's businesses, operations and strategic directions. The new director will also have the opportunity to visit the Group's operational facilities. The orientation programme gives the new director an understanding of the Group's businesses to enable him to assimilate into his new role. The Company will also provide newly appointed director with a formal letter setting out the duties and obligations of a director.

The Board as a whole is provided with continuous briefings and updates in areas such as changes in company law, changes in SGX listing rules, corporate governance practices and changes in financial reporting standards, so as to enable them to make well-informed decisions. The details of updates, briefings and training programmes attended by the directors in FY2014 are as follows:

- the external auditors, RSM Chio Lim LLP, briefed the AC and the Board on the developments in financial reporting and governance standards

- the CEO updated the Board on business and strategic developments pertaining to the Group's businesses

- the Company Secretary updated the Board on the new minimum trading price requirement for Mainboard Issuers

The directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. They can also request for further explanations, briefings or information on any aspect of the Company's operations or business issues from Management.

Board Composition and Guidance

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

The Company endeavors to maintain a strong and independent element on the Board. As at the date of this report, two out of the six Board members are independent directors. The Board comprises the following members:

Executive Directors

Dr Ho Leng Woon (Chairman and CEO)
Mdm Lau Woon Chan
Mr Ho Chee Hon (Group Deputy CEO)
Mr Chang Kwok Wah

Non-Executive Directors

Mr Quah Ban Huat (Independent)
Mr Tan Woon Hum (Independent)

While the Chairman and the CEO is the same person, the Board is of the opinion that based on the Group's current size and operations, it is not necessary to have independent directors make up at least half of the Board at present.

The NC determines on an annual basis whether or not a director is independent, taking into account the CG 2012 definition of an "independent" director and guidance on relationships, the existence of which would deem a director not to be independent. A director who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement in the best interests of the Company, is considered to be independent.

Each independent director is required to complete a Director's Independence Form annually to confirm his independence. The NC critically reviews the Form completed by each director to determine whether a director is independent. Having carried out their review for FY2014, the NC has determined that the two directors, who are non-executive, are independent.

The Board recognizes that independent directors may over time develop significant insights in the Group's businesses and operations, and can continue to provide noteworthy and valuable contribution to the Board. The independence of the independent directors must be based on the substance of their professionalism, integrity, objectivity and not merely based on the number of years which they have served on the Board.

Currently, Mr Tan Woon Hum has served on the Board for more than nine years from the date of his first appointment. The Board has subjected his independence to a rigorous review in the light of Guideline 2.4 of CG 2012. The Board is of the view that Mr Tan Woon Hum has demonstrated strong independence character and judgment over the years in discharging his duties and responsibilities as independent director of the Company with the utmost commitment in upholding the interest of the shareholders. He has expressed individual viewpoints, objectively scrutinized issues and sought clarification as he deemed necessary. Given this, the Board has resolved that Mr Tan Woon Hum shall continue to be considered an independent director, notwithstanding he has served on the Board for nine years.

The Board is of the opinion that its current size of six Board members is both effective and efficient. The Board's structure, size and composition is reviewed annually by the NC who is of the view that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations, to facilitate effective decision making.

Having considered the areas of specialization and expertise of each director, the NC is satisfied that the Board has an appropriate mix of expertise and experience, and collectively possesses a range of competencies in legal, finance, business management and the requisite industry knowledge to lead the Company effectively. The Company considers that the Board's composition of independent directors provides effective contributions to the Board with a mix of knowledge and business contacts, including a very broad in-depth successful business and commercial experience. This balance is particularly important in ensuring that the strategies proposed by Management are fully discussed, examined and take into account the long-term interests of the Group. Details of the Board members' qualifications and experience are presented in pages 6 to 9 of this Annual Report.

Chairman and Chief Executive Officer

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

The Company has the same Chairman and CEO, Dr Ho Leng Woon, and he is an executive director. The Board, after careful consideration, is of the opinion that the need to separate the roles of the Chairman and CEO is not necessary for the time being.

All major proposals and decisions are discussed and reviewed by the Board. Dr Ho Leng Woon's performance and appointment to the Board is reviewed by the NC and his remuneration package is reviewed by the RC. The AC, NC and RC consist of a majority of independent directors. Given this, the Board believes that there are sufficient strong and independent elements and safeguards in place against an uneven concentration of power and authority in a single individual.

A Lead Independent Director, Mr Quah Ban Huat, has been appointed to be an alternative avenue for shareholders and other directors to raise their concerns where raising through the normal channels of the Chairman has failed to resolve, or where such contact is inappropriate.

The Chairman's duties and responsibilities includes:-

a) Leading the Board to ensure it is effective in its role;

b) Setting directions and agendas for the Company and scheduling of meetings to enable the Board to perform its duties responsibly;

c) Ensuring the proper conduct of meetings and accurate documentation of the proceedings;

d) Ensuring the smooth and timely flow of information between the Board and Management;

e) Ensuring compliance with internal polices and guidelines of the Company and high standards of corporate governance;

f) Ensuring effective communication with shareholders through investors' relationship channels and timely announcements of Company's development;

g) Encouraging constructive relations between the Board and Management as well as between all directors.

In addition to the above duties, the Chairman will assume duties and responsibilities as may be required from time to time.

Board Membership

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

The Nominating Committee ("NC") is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments. The NC comprises the following three members, majority of whom, including the Chairman, are independent directors:-

Mr Tan Woon Hum (Chairman)
Mr Quah Ban Huat (Member)
Mr Ho Chee Hon (Member)

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

- to make recommendations to the Board on all Board appointments, including development of a set of criteria for director appointments, which includes qualifications of director; ability to exercise sound business judgments, relevance to the Company and the industry and appropriate personal qualities;
- to re-nominate directors having regard to the director's contribution and performance (e.g. attendance, participation and critical assessment of issues deliberated upon by the Board) including, if applicable, as an independent director;
- to determine annually whether or not a director is independent;
- to decide how the Board's performance may be evaluated and propose objective performance criteria, such as return on equity ("ROE"), revenue and profit growth, as well as making comparison with industry peers to the Board; and
- to assess the effectiveness of the Board as a whole.

The NC regards succession planning as an important part of corporate governance and has an internal process of succession planning for Directors and the CEO to ensure the progressive and orderly renewal of Board membership.

The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new directors. The search and nomination process will be through search companies, contacts and recommendations. The NC will review and assess candidates before making recommendation to the Board. In recommending new directors to the Board, the NC takes into consideration the individual's qualification, skills, calibre and experience required to support the Group's business activities or strategies, the current composition and seize of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability.

The role of NC also includes the reviewing of the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independence, contribution and performance. The Articles of Association of the Company currently require one-third of the directors to retire and subject themselves to re-election by the shareholders in every Annual General Meeting ("AGM"). All directors of the Company (other than the CEO) shall retire from office at least once every three years. Taking into consideration that the CEO is instrumental to the Group's operations, the Company has not adopted the guideline for the retirement of the CEO once in every three years. The Articles of Association of the Company also provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his appointment. Thereafter, he is subject to be re-elected at least once every three years. A director who is due for retirement, shall abstain from voting on any resolution in respect of this re-nomination as a Director.

The Board recognizes the contribution of its independent directors who over time, have developed insight into the Group's businesses and operations and are therefore able to provide invaluable contributions to the Group. As such, the Board has decided not to set a fixed term of office for its independent directors.

All Directors are required to declare their board representations. The Board is of the view that the effectiveness of each director is best assessed by a qualitative assessment of the director's contribution and his ability to devote sufficient time and attention to the Company's affairs. Hence, the Board has decided not to set a numerical limit on the number of listed company board representations as it does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

The details of the Board members' directorship including the year of initial appointment and election are disclosed as follows:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Reelection	Directorship in Listed Companies
Dr Ho Leng Woon	Executive	2 January 1982	Not Applicable	AP Oil International Limited
Mdm Lau Woon Chan	Executive	7 March 1983	30 April 2013	AP Oil International Limited
Mr Ho Chee Hon	Executive	1 July 2009	30 April 2014	AP Oil International Limited
Mr Chang Kwok Wah	Executive	25 February 2004	30 April 2013	AP Oil International Limited
Mr Tan Woon Hum	Independent	31 January 2006	30 April 2012	AP Oil International Limited Ezion Holdings Limited Yong Xin Intl Holdings Ltd.
Mr Quah Ban Huat	Independent	1 November 2010	29 April 2014	AP Oil International Limited Samudera Shipping Line Ltd

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

The NC has adopted a process for assessing the performance of the Board as a whole instead of individual assessment. The performance appraisal includes qualitative and quantitative factors including board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, degree of compliance with the code of corporate governance, transparency in terms of disclosures and communication with shareholders.

Although the Code proposes certain financial indicators as performance criteria, such as the Company's share price performance, the Board is of the opinion that the performance criteria should be geared toward evaluating the Board's performance in discharging its principal responsibilities, upholding high standards of corporate governance and strategic oversight of the Company's business rather than the specific performance of its share price and other financial indicators. The NC will at the relevant time look into adopting guidelines for annual assessment of the contribution of each individual Director to the effectiveness of the Board and also the assessment of board committees. The Board has not engaged any external facilitator in conducting the assessment of the Board's performance. Where relevant, the NC will consider such engagement.

For the financial year ended 31 December 2014, the directors had been requested to complete a board evaluation questionnaire. The questionnaire is designed to seek each Director's views on various aspects of the Board's performance. The responses are reviewed by NC and discussed with Board members for determining areas of improvement.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the experience, knowledge and expertise critical to the Group's business.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

In order to ensure that the Board is able to fulfill its responsibilities, Management provides the Board members with regular updates of the financial position of the Group, including quarterly reports of the Company's activities. The quarterly report includes management accounts of the Company's performance, positions and prospects. The directors have also been provided with the phone numbers and email-particulars of the Company's senior management and the company secretaries to facilitate access.

The Company has a transparent policy wherein directors are welcomed to request further information or informal discussions and make recommendations on any aspects of the Company's operations or business issues. Where directors need independent professional advice, the Board may appoint a professional advisor selected by the directors and approved by the Chairman and CEO to render the advice. The Company may bear the cost of such advice if necessary.

The company secretaries attend all Board meetings and are responsible to ensure that Board procedures are followed. It is the company secretaries' responsibility to advise the Board on corporate governance matters and to assist the Board in complying with the relevant rules and regulations applicable to the Company.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Remuneration Committee ("RC") is established for the purposes of ensuring that there is a formal and transparent process for developing policy and fixing the remuneration packages of individual directors. The RC comprises the following three members, majority of whom, including the Chairman, are independent directors:-

Mr Quah Ban Huat (Chairman)
Mr Tan Woon Hum (Member)
Mdm Lau Woon Chan (Member)

The Board recognises that the composition of the RC is not in accordance with the Code's guidelines that RC should comprise of entirely non-executive directors. However, the Board is of the view that the membership of Mdm Lau Woon Chan is necessary to facilitate a more effective discussion on the remuneration packages of the

Group's key executives. Apart from Mdm Lau Woon Chan, the other two members (including Chairman) are non-executive independent directors. The presence of a strong independent element ensure that no individual has unfettered powers of decision.

The RC has adopted written terms of reference defining its membership, administration and duties. The duties of the RC are as follows:

- to review and recommend to the Board in consultation with senior management a framework of remuneration for executive directors and CEO;
- to review the remuneration packages of all managerial staff that are related to any of the executive directors or CEO; and
- to recommend to the Board in consultation with senior management and the Chairman of the Board, the Executive's and Employees' Share Option Schemes or any long term incentive scheme.

No Director shall participate in decisions relating to any remuneration, compensation or any form of benefits to be granted to him.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but the company should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The Company has approved the remuneration framework for Executive Directors and CEO on recommendation by the RC. The remuneration of the CEO and executive directors is structured to link rewards to corporate and individual performance. The CEO and executive directors' remuneration consists of both a fixed component and a variable component which is performance related. The framework will cover directors' basic salaries, bonuses and benefits in kind. In developing the framework, the RC has taken into consideration factors, such as the Company's performance, the economic scenario, market practices and the individual's contributions to the Company.

The RC has adopted a framework to remunerate the non-executive Directors based on their appointments, roles in respective committees and contributions to the Board and Company. The remuneration packages of non-executive Directors comprise a basic director retainer fee and additional fees for appointment to Board Committees. While the remuneration frameworks are not subject to shareholders' approval, the directors' fees for non-executive directors will be subject to the approval of shareholders at AGMs.

The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

Disclosure on Remuneration

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

A breakdown showing the level and mix of each individual director's remuneration for the financial year ended 31 December 2014 is disclosed in the table below:

Remuneration band (S$)	Name of Director	Salary including CPF (%)	Bonus Profit Sharing (%)	Fees (%)	Benefit in Kind (%)
700,000 to below 800,000	Ho Leng Woon	59.9	38.9	-	1.2
400,000 to below 500,000	Chang Kwok Wah	61.9	35.2	-	2.9
300,000 to below 400,000	Ho Chee Hon	72.2	27.8	-	-
	Lau Woon Chan	45.9	54.1	-	-
Below 100,000	Tan Woon Hum	-	-	100	-
	Quah Ban Huat	-	-	100	-

The Company had entered into separate Service Agreements with each of the Executive Directors on a fixed term. The Agreements are renewable with mutual consent of the parties upon expiry. The RC has reviewed the Agreements and the Company will be instituting contractual provisions to allow it to reclaim the incentive bonus from the executive directors and key management personnel in exceptional circumstance of material restatement of the financial statements.

The top five key management personnel's remuneration for the financial year ended 31 December 2014 is disclosed in the table below:

Remuneration band (S$)	Name of key management personnel
200,000 to below 300,000	Alphonsus Chua
100,000 to below 200,000	Ang Luck Seh
	Chew Eng Lai
	Lim Lay Pheng
	Ng Siew Khim

The Company adopts a remuneration policy to staff comprising a fixed component and a variable component. The fixed component is in the form of a basis salary. The variable component is in the form of a variable bonus that is linked to the Company and individual performance.

Mr Ho Chee Hon is the son of the Company's Chairman and CEO, Dr Ho Leng Woon and the Company's executive director, Mdm Lau Woon Chan. Apart from him, there was no employee who is an immediate family member of a director or the CEO whose remuneration exceeded S$50,000 for the financial year ended 31 December 2014.

The Board believes that it is for the benefit of the Company that the remuneration of the Directors and the total remuneration paid to the top 5 key management personnel be kept confidential, due to its sensitive nature. The Board is of the opinion that the information as disclosed above would be sufficient for shareholders to have an adequate appreciation of the Company's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

C. ACCOUNTABILITY AND AUDIT

Accountability

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

One of the Board's principal duties is to protect and enhance the long-term value and returns to the shareholders of the Company. The accountability of the Board to the shareholders is demonstrated through the presentation of the periodic financial statements as well as timely announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Board ensures that the Management maintains a sound system of internal control to safeguard the shareholders' investment and the Group's assets. Board papers are given prior to any Board meeting to facilitate effective discussion and decision making.

The Management presents to the Audit Committee the interim and full-year results. The Audit Committee reviews the results and recommends them to the Board for approval. The Board approves the results and authorizes the release of the results to the SGX-ST and the public via SGXNET as required by the SGX-ST Listing Manual.

Risk Management and Internal Controls

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

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

The Board is assisted by the Risk Management Committee ("RMC") which was formed in FY2013, as part of the Group's efforts to strengthen its risk management processes and framework. The RMC has done up a documentation on the Group's risk profile which summarizes the material risks faced by the Group, the appropriate risk tolerance limits set for the respective risks and the countermeasures in place to manage or mitigate those risks. On an annual basis, the RMC will review the key risks identified, considered the relevance of these risks, identify new risks which may arise and assess the internal controls in place to mitigate such risks. RMC will report to the Board and the Board members will then evaluate and provide their feedbacks to the RMC.

For FY2014, the Board has received assurances from the CEO and the Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's businesses and operations and also that the Group's risk management and internal control system in place is adequate in addressing the key risks in the Group in its current business environment.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the external and internal auditors, as well as review performed by the RMC, the Board, with the concurrence of the AC, is of the view that the internal controls of the Group, addressing the financial, operational, compliance and information technology risks are adequate as at 31 December 2014.

Audit Committee

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

The AC comprises the following three members, majority of whom, including the Chairman, are independent directors:-

Mr Quah Ban Huat (Chairman)
Mr Tan Woon Hum (Member)
Mr Ho Chee Hon (Member)

The profile of each member of the AC is set out on pages 8 and 9 of this report. Mr Quah Ban Huat, Chairman of the AC, has many years of experience in finance and accounting. Other members of the AC possess experience in legal, finance, accounting and business management. The Board is of the view that the members of the AC are appropriately qualified, having accounting or related financial management expertise or experience as the Board interprets such qualification, to discharge their responsibilities.

The Board recognizes that the composition of the AC is not in accordance with the Code's guidelines that the AC should be made up of entirely non-executive directors. However, for the same reasons stated under Principle 3 of this report, the Board is of the view that independence is not comprised as majority of the members of the AC are independent.

As a sub-committee of the Board of Directors, AC assist the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in the Group. The AC also reviews and supervises the internal audit functions of the Group.

AC provides a channel of communication between the Board, Management and the external auditors on matters relating to audit.

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

- discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;
- review with external auditors, their evaluation of the system of internal controls, the Management Letter and Management's response thereon;
- discuss problems and concerns, if any, arising from the interim and final audits and any matters that the external auditors may wish to discuss with the AC in the absence of the Management;
- review of the independence and objectivity of the external auditors and nomination of their re-appointment as auditors of the Company) The review of the adequacy of the Company's internal controls, and the effectiveness of the Company's internal audit function, the internal audit program including the scope and results of the internal audit;
- review of interested person transactions (as defined in the Chapter 9 of the Listing Manual of SGX-ST);
- review of interim and full year financial results, including review of the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance; and
- any other functions that are requested by the Board, as may be required by statute or the Listing Manual. In discharging the above duties, the AC confirms that it has full access to and co-operation from Management and is given full discretion to invite any Director or executive Director to attend its meetings. In addition, the AC has also been given reasonable resources to enable it to perform its functions properly.

The AC has conducted an annual review of the volume of non-audit services provided by the external auditors to satisfy it that the nature and extent of such services will not prejudice the independence and objectivity of the auditors before recommending their re-nomination to the Board. A breakdown of the fees in total for audit and non-audit services is set out in the Notes to the Financial Statement on page 43 of this annual report. The AC is satisfied with their independence and has recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting of the Company.

The AC meets with the internal auditors and the external auditors, at least once a year, without the presence of Management, to have free and unfettered access to unfiltered information and feedback.

In the event that any Director has a personal material interest in any contract or proposed contract or arrangement, he will abstain from reviewing that particular transaction or voting on the particular resolution.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Company's operating results and/or financial position.

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

The Company has in place whistle-blowing procedures and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters to the CEO or Chairman of the AC.

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The AC is aware that internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

Since 2003, the Group has appointed Nexia TS Risk Advisory Pte Ltd to carry out the internal audit functions and report directly to the AC. The Internal Auditor reviews the effectiveness of the internal control system and management control system, including systems for compliance with laws and regulations. These reviews are conducted twice a year to ensure material internal controls are in place. The AC approves the audit plans, review the audit findings and follows up on implementation plan.

Since the implementation of the internal audit, the AC is satisfied that the internal audit on systems and controls are adequate in view of the current nature and scope of operations of the Company. The AC will continue to assess the adequacy of the internal audit function annually.

Shareholder Rights

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

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

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

The Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend general meetings. The Company will consider amending its Articles of Association to allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

Communication with Shareholders

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

The Company endeavours to communicate regularly, effectively and fairly with its shareholders. Timely, as well as, detailed disclosure is made to the public in compliance with SGX-ST guidelines. The Company does not practise selective disclosure. All price sensitive information is announced on the SGXNET on a timely basis.

Shareholders are kept informed of developments and performance of the Group through announcements published via SGXNET and the press when necessary as well as in the annual report. Other announcements are also made on an ad-hoc basis where applicable as soon as possible to ensure timely dissemination of the information to shareholders.

The Company does not have a fixed dividend policy at present. The frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Board of Directors has declared an interim tax exempt (one-tier) dividend of 0.5 cents per ordinary share for the financial year ended 31 December 2014.

Conduct of shareholder meetings

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

All shareholders of the company receive the annual report of the company and notice of AGM within the mandatory period. The notice is also published in the local newspaper and made available on the SGXNET. Participation of shareholders is encouraged at the company's general meetings. Each item of special business included in the notice of meeting will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

To facilitate voting by shareholders, the Company's Articles of Association allows shareholders to appoint up to two proxies to attend and vote at the same general meeting. The Board of Directors (including the Chairman of the respective Board committees), Management, as well as the external auditors will attend the Company's AGM to address any questions that shareholders may have.

The minutes of general meetings will be made available to shareholders upon written request.

The Company will be required to conduct its voting at general meetings by poll effective from 1 August 2015 where shareholders are accorded voting rights proportionate to their shareholding and all votes will be counted.

D. DEALINGS IN SECURITIES

The Company has adopted internal codes applicable to all officers in relation to dealings in the Company's securities. The key guidelines are:

- Directors and key officers are prohibited from trading in the Company's securities during the period commencing one month before the announcement of the Company's half yearly and full year financial results and the prohibition ends on the day of the announcement of such results.

- Directors and key officers should not deal in the Company's securities on short-term consideration.

- Directors and key officers are required to observe the insider trading laws under the Securities Industries Act at all times even when engaging in dealings of securities within the non-prohibitory periods. To enable the Company to monitor such share transactions, Directors and key officers are required to report to the Company whenever they deal in the Company's securities.

E. INTERESTED PERSON TRANSACTIONS

The Company has adopted internal guidelines in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. The main objective is to ensure that all interested person transactions are conducted on arm's length basis and on normal commercial terms.

The AC had reviewed all interested person transactions for the financial year ended 31 December 2014 and was satisfied that there was no interested person transaction entered into by the Group in excess of S$100,000 during the financial year.

F. MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual, the company confirms that there was no material contract entered into between the company and its subsidiaries which involved the interests of any director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which was entered into since the end of the previous financial year.

G. AUDITORS

The Company has complied with Rules 712, 715 and 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

Financial Content

Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 31 December 2014.

1. Directors at date of report

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

Executive directors:
Ho Leng Woon, Dr
Lau Woon Chan
Ho Chee Hon
Chang Kwok Wah

Independent directors:
Quah Ban Huat
Tan Woon Hum

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	At beginning of the reporting year	**At end of the reporting year**
In the company - AP Oil International Limited	**Number of shares of no par value**	
Ho Leng Woon, Dr	61,406,250	61,406,250
Lau Woon Chan	17,531,250	17,531,250
Ho Chee Hon	1,833,000	3,168,937
Chang Kwok Wah	41,250	41,250

By virtue of section 7 of the Act, Dr Ho Leng Woon and Lau Woon Chan are deemed to have an interest in each other's direct interest in the company and in all the related corporations of the company.

The directors' interests as at 21 January 2015 were the same as those at the end of the reporting year.

4. Contractual benefits of directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act 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 except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain directors have an interest.

5. Share options

During the reporting year, no option to take up unissued shares of the company or any subsidiary was granted.

During the reporting year, there were no shares of the company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or any subsidiary under option.

6. Independent auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

7. Audit committee

The members of the audit committee at the date of this report are as follows:

Quah Ban Huat	(Chairman of audit committee and independent and non-executive director)
Tan Woon Hum	(Independent and non-executive director)
Ho Leng Woon, Dr	(Chairman and executive director)

The audit committee performs the functions specified by section 201B(5) of the Companies Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

7. Audit committee (cont'd)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the company.

8. Directors' opinion on the adequacy of internal control

Based on the internal controls established and maintained by the company, work performed by the internal auditor, and reviews performed by the management, other committees of the board, the committee and the board are of the opinion that company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2014.

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 24 February 2015, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

………………………………………….

Ho Leng Woon, Dr
Director

………………………………………….

Lau Woon Chan
Director

23 March 2015

Statement by Directors

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 December 2014 and of the results and cash flows of the group and changes in equity of the company and of the group for the reporting year then ended; and

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

The board of directors approved and authorised these financial statements for issue.

On Behalf of the Directors

....

Ho Leng Woon, Dr
Director

....

Lau Woon Chan
Director

23 March 2015

Independent Auditors' Report

To The Members of AP Oil International Limited **(Registration No: 197502257M)**

Report on the financial statements

We have audited the accompanying financial statements of AP Oil International Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of the 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 statements of profit or loss and other comprehensive income and statements of financial position 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 and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the 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 and the changes in equity of the company for the reporting 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.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

23 March 2015

Partner in charge of audit: See Ling Ling, Helen
Effective from year ended: 31 December 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000
Revenue	5	78,417	64,450
Cost of sales		(64,718)	(51,126)
Gross profit		13,699	13,324
Other items of income			
Interest income		34	24
Other gains	6	249	124
Other items of expense			
Distribution costs	7	(1,900)	(2,191)
Administrative expenses		(6,886)	(6,673)
Finance costs		(4)	(3)
Other losses	6	(244)	(121)
Share of profit from equity-accounted joint venture		322	261
Profit before tax from continuing operations		5,270	4,745
Income tax expense	9	(534)	(574)
Profit from continuing operations, net of tax		4,736	4,171
Profit from discontinued operations, net of tax	10	259	392
Profit net of tax		4,995	4,563
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets, net of tax	24	23	(59)
Exchange differences on translation from functional currency to presentation currency	24	1,056	679
Share of other comprehensive income from equity-accounted joint venture, net of tax	24	140	30
Other comprehensive income for the year, net of tax		1,219	650
Total comprehensive income		6,214	5,213

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 31 December 2014 (cont'd)

	Notes	Group 2014 Cents	Group 2013 Cents
Earnings per share			
Earnings per share currency unit			
Basic	11		
Continuing operations		2.88	2.53
Discontinued operations		0.16	0.24
Total		3.04	2.77
Diluted	11		
Continuing operations		2.88	2.53
Discontinued operations		0.16	0.24
Total		3.04	2.77

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

Statements of Financial Position

As at 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	3,591	3,864	877	905
Goodwill	14	409	409	-	-
Investments in subsidiaries	15	-	-	5,430	5,907
Investment in associate	16	-	1,368	-	-
Investment in joint venture	17	1,583	1,365	-	-
Deferred tax assets	9	36	29	-	-
Other financial assets	18	776	724	776	724
Other assets	19	619	600	-	-
Total non-current assets		7,014	8,359	7,083	7,536
Current assets					
Assets and disposal group held for sale under FRS 105	16	1,627	-	-	-
Inventories	20	6,041	7,684	4,562	6,316
Trade and other receivables	21	8,147	8,152	5,770	4,012
Other assets	19	1,157	179	1,076	111
Cash and cash equivalents	22	31,303	26,211	17,488	13,768
Total current assets		48,275	42,226	28,896	24,207
Total assets		55,289	50,585	35,979	31,743
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	6,606	6,606	6,606	6,606
Retained earnings		39,693	35,521	19,098	15,980
Other reserves	24	47	(1,172)	(1,343)	(1,699)
Total equity		46,346	40,955	24,361	20,887
Non-current liabilities					
Deferred tax liabilities	9	243	248	73	78
Finance lease	25	21	-	-	-
Total non-current liabilities		264	248	73	78
Current liabilities					
Income tax payable		741	660	170	-
Trade and other payables	26	7,926	8,722	11,375	10,778
Finance lease	25	12	-	-	-
Total current liabilities		8,679	9,382	11,545	10,778
Total liabilities		8,943	9,630	11,618	10,856
Total equity and liabilities		55,289	50,585	35,979	31,743

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

Statements of Changes in Equity

Year Ended 31 December 2014

	Total Equity $'000	Attributable to Parent Sub-total $'000	Share Capital $'000	Retained Earnings $'000	Other Reserves $'000
<u>**Group**</u>					
Current Year:					
Opening balance at 1 January 2014	40,955	40,955	6,606	35,521	(1,172)
Movements in equity:					
Total comprehensive income for the year	6,214	6,214	-	4,995	1,219
Dividends paid (Note 12)	(823)	(823)	-	(823)	-
Closing balance at 31 December 2014	46,346	46,346	6,606	39,693	47
Previous year:					
Opening balance at 1 January 2013	36,565	36,565	6,606	31,781	(1,822)
Movements in equity:					
Total comprehensive income for the year	5,213	5,213	-	4,563	650
Dividends paid (Note 12)	(823)	(823)	-	(823)	-
Closing balance at 31 December 2013	40,955	40,955	6,606	35,521	(1,172)

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

Statements of Changes in Equity

Year Ended 31 December 2014

	Total Equity $'000	Share Capital $'000	Retained Earnings $'000	Other Reserves $'000
<u>Company</u>				
Current year:				
Opening balance at 1 January 2014	20,887	6,606	15,980	(1,699)
Movements in equity:				
Total comprehensive income for the year	4,297	-	3,941	356
Dividends paid (Note 12)	(823)	-	(823)	-
Closing balance at 31 December 2014	24,361	6,606	19,098	(1,343)
Previous year:				
Opening balance at 1 January 2013	18,828	6,606	14,325	(2,103)
Movements in equity:				
Total comprehensive income for the year	2,882	-	2,478	404
Dividends paid (Note 12)	(823)	-	(823)	-
Closing balance at 31 December 2013	20,887	6,606	15,980	(1,699)

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

Consolidated Statement of Cash Flow

Year Ended 31 December 2014

	Group	
	2014	2013
	$'000	$'000
Cash flows from operating activities		
Profit from continuing operations	4,736	4,171
Profit from discontinued operations	259	392
Profit for the year	4,995	4,563
Adjustments for:		
Income tax expense recognised in profit or loss	534	574
Interest income	(34)	(24)
Interest expense	4	3
Insurance premium charged to profit or loss	5	73
Depreciation of property, plant and equipment	1,093	1,055
Share of profit from equity-accounted associate, net of tax	(259)	(392)
Share of profit from equity-accounted joint venture, net of tax	(322)	(261)
Gain on disposal of property, plant and equipment	(14)	(1)
Operating cash flows before changes in working capital	6,002	5,590
Inventories	1,944	(1,140)
Trade and other receivables	195	952
Other assets	(972)	285
Trade and other payables	(991)	2,752
Net cash flows from operations	6,178	8,439
Net income taxes paid	(465)	(757)
Net cash flows from operating activities	5,713	7,682
Cash flows from investing activities		
Disposal of property, plant and equipment	34	8
Purchase of property, plant and equipment (Note 22A)	(753)	(1,018)
Purchase of keyman insurance policy	-	(856)
Dividend from associate	-	338
Dividend from joint venture	135	132
Interest received	34	24
Net cash flows used in investing activities	(550)	(1,372)
Cash flows from financing activities		
Dividends paid to equity owners	(823)	(823)
Repayment of finance leases (Note 22A)	(2)	-
Interest paid	(4)	(3)
Net cash flows used in financing activities	(829)	(826)
Net increase in cash and cash equivalents	4,334	5,484
Cash and cash equivalents, statement of cash flows, beginning balance	26,211	20,443
Net effect of exchange rate changes	758	284
Cash and cash equivalents, statement of cash flows, ending balance (Note 22)	31,303	26,211

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

Notes to the Financial Statements

31 December 2014

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are those of manufacturing of petroleum lubricating oil, including wholesale of oil and fuel, dealing in paraffin wax, lubricating oil and grease and investment holding.

It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries, associate and joint venture are described in Note 15, 16 and 17 below.

The registered office is: 30 Gul Crescent, Jurong Singapore 629535. The company is situated in Singapore.

2. Summary of significant accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

2. Summary of significant accounting policies (cont'd)

Basis of presentation (cont'd)

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from franchising represents trading of base oil and is recognised on the basis similar to that of sale of goods. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when significant acts have been completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividend from subsidiaries, associate and joint venture are recognised as income when the entity's right to receive payment is established.

2. Summary of significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, associate and joint venture except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

2. Summary of significant accounting policies (cont'd)

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as qualifying cash flow hedges. The presentation currency is the Singapore dollar as the financial statements are meant primarily for users in Singapore. For the Singapore dollar financial statements assets and liabilities are translated at year end rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity. The translations of US$ amounts into S$ amounts are included solely for the convenience of readers. The reporting year end rates used are US$1 to S$1.32 (2013: US$1 to S$1.26) which approximates the rate of exchange at the end of the reporting year. The average rates of exchange for the reporting year of US$1 to S$1.27 (2013: US$1 to S$1.25). Such translation should not be construed as a representation that the Singapore dollar amounts could be converted into US dollars at the above rate or other rate.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss or other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2. Summary of significant accounting policies (cont'd)

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

Property, plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties and improvements	–	Over the terms of lease that are from 3.13% to 9.09% per annum
Plant and equipment	–	20 - 33 1/3% per annum

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Segment reporting

The group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2. Summary of significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

2. Summary of significant accounting policies (cont'd)

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement.

In the consolidated financial statements, the accounting for investments in a joint venture is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

2. Summary of significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

2. Summary of significant accounting policies (cont'd)

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by FRS 105 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of asset held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balance as held for sales are included in profit or loss, even when there is a revaluation. The same applies to gain and to losses on subsequent remeasurement.

In addition, the results of discontinued operations are presented separately in profit or loss. A discontinued operation is a component of the business that represents a separate major line of business or geographical area of operations that has been sold, or classified as held for sale or has been abandoned. They are shown separately in profit or loss and comparative figures are restated to reclassify them from continuing to discontinued operations.

2. Summary of significant accounting policies (cont'd)

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset

2. Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

(a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

2. Summary of significant accounting policies (cont'd)

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

2. Summary of significant accounting policies (cont'd)

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of goodwill:
An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Note 14. Actual outcomes could vary from these estimates.

Allowance for doubtful trade accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount at the end of the reporting year is disclosed in the Note on trade and other receivables.

Net realisable value of inventories:
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. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated values of the inventories. The carrying amount at the end of the reporting year is disclosed in the Note on inventories.

Recoverability of non-current other assets:
This includes prepayment for purchase of land (Note 19). The prepayment was placed with a legal representative in Vietnam in 2008 with the intention to purchase two parcels of land. The purchase is pending approval from the Vietnamese authorities. In making this judgement, management considered the creditworthiness of the counterparty, the market value of the land and the legal recourse in the event of dispute.

3. Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The ultimate controlling party is Dr Ho Leng Woon, a director and significant shareholder.

3A. Related companies:

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation:

	Group	
	2014	2013
	$'000	$'000
Salaries and other short-term employee benefits	2,102	2,107

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2014	2013
	$'000	$'000
Remuneration of directors of the company	1,799	1,725
Remuneration of a director of a subsidiary	223	312
Fees to directors of the company	80	70

Further information about the remuneration of individual directors is provided in the report on corporate governance. Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors of the company and of a subsidiary.

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

For management purposes, the group is organised into the following three major strategic operating segments that offer different products and services: (1) manufacturing, (2) trading and (3) franchising. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments and types of products and services are as follows:

The manufacturing segment manufactures a range of lubricating oils and fluids and specialty chemicals for industrial, automotive and marine applications and provides blending services to its customers. The manufactured goods were sold under the group's brand names.

The trading segment trades in base oil and additives and specialty chemicals.

The franchising segment includes trades in raw materials for products under the company's brand names.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

4. Financial information by operating segments (cont'd)

4B. Profit or Loss from Continuing Operations and Reconciliations

	Manufacturing $'000	Trading $'000	Franchising $'000	Unallocated $'000	Group $'000
Continuing operations 2014					
Revenue by segment					
Total revenue by segment	57,555	19,557	19,115	-	96,227
Inter-segment sales	(17,610)	(200)	-	-	(17,810)
Total revenue	39,945	19,357	19,115	-	78,417
Operating profit	10,016	1,563	2,120	-	13,699
Interest income				34	34
Other gains				249	249
Finance costs				(4)	(4)
Other losses				(244)	(244)
Unallocated expenses				(8,786)	(8,786)
Share of profit of joint venture				322	322
Profit before tax from continuing operations					5,270
Income tax expense					(534)
Profit from continuing operations, net of tax					4,736
Profit from discontinuing operations, net of tax					259
Profit net of tax					4,995

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Manufacturing $'000	Trading $'000	Franchising $'000	Unallocated $'000	Group $'000
Continuing operations 2013					
Revenue by segment					
Total revenue by segment	54,083	12,784	12,650	-	79,517
Inter-segment sales	(14,867)	(200)	-	-	(15,067)
Total revenue	39,216	12,584	12,650	-	64,450
Operating profit	10,556	1,116	1,652	-	13,324
Interest income				24	24
Other gains				124	124
Finance costs				(3)	(3)
Other losses				(121)	(121)
Unallocated expenses				(8,864)	(8,864)
Share of profit of joint venture				261	261
Profit before tax from continuing operations					4,745
Income tax expense					(574)
Profit from continuing operations, net of tax					4,171
Profit from discontinuing operations, net of tax					392
Profit net of tax					4,563

4. Financial information by operating segments (cont'd)

4C. Assets and reconciliations

	Manufacturing $'000	Trading $'000	Franchising $'000	Unallocated $'000	Group $'000
2014					
Total assets for reportable segments	13,144	2,972	888	-	17,004
Unallocated:					
Deferred tax assets	-	-	-	36	36
Cash and cash equivalent	-	-	-	31,303	31,303
Investments in joint venture	-	-	-	1,583	1,583
Assets and disposal group held for sale under FRS 105	-	-	-	1,627	1,627
Other unallocated amounts	-	-	-	3,736	3,736
Total group assets	13,144	2,972	888	38,285	55,289
2013					
Total assets for reportable segments	14,974	2,431	1,461	-	18,866
Unallocated:					
Deferred tax assets	-	-	-	29	29
Cash and cash equivalent	-	-	-	26,211	26,211
Investments in associate	-	-	-	1,368	1,368
Investments in joint venture	-	-	-	1,365	1,365
Other unallocated amounts	-	-	-	2,746	2,746
Total group assets	14,974	2,431	1,461	31,719	50,585

4D. Liabilities and reconciliations

	Manufacturing $'000	Trading $'000	Franchising $'000	Unallocated $'000	Group $'000
2014					
Total liabilities for reportable segments	4,555	1,173	1,098	-	6,826
Unallocated:					
Deferred and current tax liabilities	-	-	-	984	984
Other unallocated amounts	-	-	-	1,133	1,133
Total group liabilities	4,555	1,173	1,098	2,117	8,943
2013					
Total liabilities for reportable segments	5,120	1,534	1,090	-	7,744
Unallocated:					
Deferred and current tax liabilities	-	-	-	908	908
Other unallocated amounts	-	-	-	978	978
Total group liabilities	5,120	1,534	1,090	1,886	9,630

4. Financial information by operating segments (cont'd)

4E. Other material items and reconciliations

	Manufacturing $'000	Trading $'000	Franchising $'000	Unallocated $'000	Group $'000
Depreciation:					
2014	485	351	-	257	1,093
2013	487	339	-	229	1,055
Capital Expenditure:					
2014	340	317	-	131	788
2013	301	311	-	406	1,018

4F. Geographical information

	Revenue		Non-Current Assets	
Country	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Singapore	40,538	41,248	6,359	7,730
Bangladesh	9,030	1,404	-	-
Indonesia	2,595	1,885	-	-
Myanmar	3,357	3,834	-	-
Philippines	3,025	1,639	-	-
Vietnam	14,088	11,273	619	600
Other	5,784	3,167	-	-
	78,417	64,450	6,978	8,330

Revenues are attributed to the countries where they are derived by the group. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude deferred tax assets.

4G. Information about major customers

2 customers (2013: 2 customers) of the group contributed more than 10% each of the Group's total revenues. These 2 customers (2013: 2 customers) contributed approximately $33 million (2013: $26 million) in revenue.

5. Revenue

	Group 2014 $'000	Group 2013 $'000
Sale of goods	72,998	59,142
Rendering of services	3,985	3,866
Rental income	1,434	1,442
	78,417	64,450

6. Other gains and (other losses)

	Group 2014 $'000	Group 2013 $'000
Allowance for impairment on trade receivables – reversal	28	-
Allowance for impairment on trade receivables	-	(42)
Bad debts recovered on trade receivables	1	6
Bad debts written off trade receivables	(85)	(12)
Foreign exchange adjustments losses	(159)	(67)
Gains on disposal of plant and equipment	14	1
Government grant income	122	26
Other income	84	91
Net	5	3
Presented in the profit or loss as:		
Other gains	249	124
Other losses	(244)	(121)
Net	5	3

7. Distribution costs

The major components include the following:

	Group 2014 $'000	Group 2013 $'000
Employee benefits expense	661	634
Freight charges	847	1,024

8. Employee benefits expense

	Group	
	2014	2013
	$'000	$'000
Employee benefits expense	6,090	5,832
Contributions to defined contribution plan	417	505
Other benefits	180	168
Total employee benefits expense	6,687	6,505
Included in:		
Cost of sales	1,494	1,465
Distribution costs	661	634
Administrative expenses	4,532	4,406
Total employee benefits expense	6,687	6,505

9. Income tax

9A. Components of tax expense recognised in profit or loss include:

	Group	
	2014	2013
	$'000	$'000
Current tax expense:		
Current tax expense	610	569
Over adjustments to current tax in respect of prior year	(64)	(23)
Subtotal	546	546
Deferred tax (income)/expense:		
Deferred tax (income)/expense	(12)	28
Subtotal	(12)	28
Total income tax expense	534	574

9. Income Tax (cont'd)

9A. Components of tax expense recognised in profit or loss include: (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2013: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2014	2013
	$'000	$'000
Profit before tax from continuing operations	5,270	4,745
Less: Share of profit from equity-accounted joint venture	(322)	(261)
	4,948	4,484
Income tax expense at the above rate	841	762
Not (taxable)/deductible items	(9)	19
Income not subjected to tax	-	(20)
Over adjustments to tax in respect of prior years	(64)	(23)
Corporate income tax rebate	(105)	(74)
Tax exemptions	(104)	(78)
Unrecognised deferred tax expense	(53)	-
Other minor items less than 3% each	28	(12)
Total income tax expense	534	574

There are no income tax consequences of dividends to owners of the company. Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

9B. Deferred tax (income)/expense recognised in profit or loss include:

	Group	
	2014	2013
	$'000	$'000
Excess of net book value of plant and equipment over tax values	10	29
Excess of tax values over net book value of plant and equipment	(7)	(6)
Tax loss carryforwards	53	-
Provision for unutilised leave	(15)	5
Unrecognised deferred tax expense	(53)	-
Total deferred tax (income)/expense recognised in profit or loss	(12)	28

9. Income tax (cont'd)

9C. Deferred tax balance in the statements of financial position:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
From deferred tax assets/(liabilities) recognised in profit or loss:				
Excess of net book value of plant and equipment over tax values	(280)	(270)	(108)	(98)
Excess of tax values over net book value of plant and equipment	35	28	-	-
Tax loss carryforwards	543	596	-	-
Provision for unutilised leave	38	23	35	20
Unrecognised deferred tax assets	(543)	(596)	-	-
Total	(207)	(219)	(73)	(78)
Presented in the statements of financial position as follows:				
Deferred tax assets	36	29	-	-
Deferred tax liabilities	(243)	(248)	(73)	(78)
Net position	(207)	(219)	(73)	(78)

It is impracticable to estimate the amount expected to be settled or used within one year.

Certain deferred tax asset has not been recognised in respect of the remaining balance, as the future profit streams are not probable. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

10. Profit from discontinued operation, net of tax

On 11 December 2014, a subsidiary, GB Chemical Pte Ltd disposed the entire shareholding interest in an associate, Systematic Laundry & Uniform Services Pte Ltd for a cash consideration of $1,994,000 and subsequent tranche consideration of $303,000 subject to the terms and conditions as stipulated in the sales and purchase agreement.

This transaction was completed on 1 January 2015. On 1 January 2015, the control of the associate was passed to the acquirer. Accordingly, the investment in associate, Systematic Laundry & Uniform Services Pte Ltd was reclassified to assets and disposal groups held for sale as required by FRS 105 at end of the reporting year.

10. Profit from discontinued operation, net of tax (cont'd)

The results for the reporting year from the discontinued operation and the result for the previous reporting year, which have been included in the consolidated financial statements, were as follows:

	Group	
	2014	2013
	$'000	$'000
Share of profit from equity accounted associate	259	392
Profit from discontinued operations	259	392

Subsequent to the end of reporting year, subject to the terms and conditions stipulated in the sales and purchase agreement, a gain of $670,000 will be recognised from the disposal of associate, Systematic Laundry & Uniform Services Pte Ltd, being the consideration receivable on disposal less the net carrying amount of the investment in associate. No tax charge or credit arose from the transaction.

The cash flows of the discontinued operations for the previous year and for the period from the beginning of the reporting year to beginning of the reporting year to 11 December 2014, which have been included in the consolidated financial statements, were as follows:

	Group	
	2014	2013
	$'000	$'000
Investing activities	-	338
Total cash flows	-	338

11. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	2014	2013
	$'000	$'000
Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders	4,736	4,171
Discontinued operations: profit for the year	259	392
Total basic and diluted earnings	4,995	4,563
	No: '000	No: '000
Denominators: weighted average number of equity shares		
Basic and diluted	164,531	164,531

The weighted average number of equity shares refers to shares in circulation during the reporting period.

12. Dividends on equity shares

	Rate per share - cents			
	2014	2013	2014	2013
			$'000	$'000
Interim tax exempt (1-tier) dividend	0.50	0.50	823	823

13. Property, plant and equipment

	Leasehold properties and improvements $'000	Plant and equipment $'000	Total $'000
Group			
Cost:			
At 1 January 2013	5,189	9,664	14,853
Additions	119	899	1,018
Disposals	-	(288)	(288)
Written-off	-	(45)	(45)
Foreign exchange adjustments	(183)	(117)	(300)
At 31 December 2013	5,125	10,113	15,238
Additions	-	788	788
Disposals	-	(290)	(290)
Written-off	-	(168)	(168)
Foreign exchange adjustments	129	194	323
At 31 December 2014	5,254	10,637	15,891
Accumulated depreciation:			
At 1 January 2013	3,577	7,416	10,993
Depreciation for the year	166	889	1,055
Disposals	-	(281)	(281)
Written-off	-	(45)	(45)
Foreign exchange adjustments	(204)	(144)	(348)
At 31 December 2013	3,539	7,835	11,374
Depreciation for the year	164	929	1,093
Disposals	-	(270)	(270)
Written-off	-	(168)	(168)
Foreign exchange adjustments	105	166	271
At 31 December 2014	3,808	8,492	12,300
Net book value:			
At 1 January 2013	1,612	2,248	3,860
At 31 December 2013	1,586	2,278	3,864
At 31 December 2014	1,446	2,145	3,591

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

	Leasehold property and improvements $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
At 1 January 2013	1,188	2,101	3,289
Additions	-	234	234
Disposals	-	(67)	(67)
Foreign exchange adjustments	42	87	129
At 31 December 2013	1,230	2,355	3,585
Additions	-	133	133
Disposals	-	(31)	(31)
Foreign exchange adjustments	56	116	172
At 31 December 2014	1,286	2,573	3,859
Accumulated depreciation:			
At 1 January 2013	781	1,686	2,467
Depreciation for the year	15	169	184
Disposals	-	(67)	(67)
Foreign exchange adjustments	28	68	96
At 31 December 2013	824	1,856	2,680
Depreciation for the year	15	180	195
Disposals	-	(26)	(26)
Foreign exchange adjustments	38	95	133
At 31 December 2014	877	2,105	2,982
Net book value:			
At 1 January 2013	407	415	822
At 31 December 2013	406	499	905
At 31 December 2014	409	468	877

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

Allocation of the depreciation expense:

	Group	
	2014	2013
	$'000	$'000
Cost of sales	387	384
Administrative expenses	706	671
Total	1,093	1,055

The following are properties held by the group at end of the reporting year:

Location of properties	Tenure of land	Gross land area (sqm)	Gross built-in area (sqm)	Existing use
No. 30 Gul Crescent, Jurong Singapore 629535	A 30+30 year lease with effect from 1 April 1981	5,217	1,550	Manufacture of lubricating oils and fluids
No. 18 Pioneer Sector 1 Singapore 628428	A 30+10 year lease with effect from 1 February 1979	8,426	1,837	Manufacture of lubricating oils and fluids
No. 19 Tractor Road Singapore 627977	A 22-year-and-4-month lease with effect from 29 October 1985 and extended for another 22 years and 10 months	5,988	1,853	Toll-blend and manufacturer of chemicals and speciality chemicals

14. Goodwill

	Group	
	2014	2013
	$'000	$'000
Cost:		
Balance at beginning and end of the year	409	409

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. This CGU represents the group's investment in the subsidiary, GB Chemicals Pte Ltd (see Note 15).

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been measured based on the fair value less costs of disposal method or the value in use method as appropriate for the separate CGUs.

No impairment allowance was recognised because the carrying amount of the CGU was lower than its recoverable amount.

The value in use was determined by management. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The impairment test has been carried out using a discounted cash flow model covering a 5-year period. Cash flows projections are projected based on current year's result with a growth rate of 3% (2013: 5%). Such a growth rate does not exceed the long term average growth rate of the sector. The estimated discount rate using pre-tax rate that reflects current market assessments at the risks specific to the CGU is 13.54% (2013: 11.10%).

Actual outcomes could vary from these estimates. If the revised estimated gross margin at the end of the reporting year had been 10% less favourable than management's estimates at the end of the reporting year, the goodwill would have to be fully impaired. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 10% less favourable than management's estimates, the recoverable amount is still greater than the carrying value of the goodwill and no impairment for goodwill will be required. If the actual amount gross margin and the pre-tax discounted rate had been more favourable than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because FRS 36 does not permit reversing an impairment loss for goodwill.

The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

15. Investments in subsidiaries

	Company	
	2014	2013
	$'000	$'000
Unquoted equity shares at cost	3,982	3,977
Transferred from joint venture (Note 17)	-	5
Foreign exchange adjustment	(332)	-
	3,650	3982
Less: Allowance for impairment	(92)	(100)
Sub-total	3,558	3,882
Quasi-equity loan (a)	2,025	2,025
Foreign exchange adjustment	(153)	-
Sub-total	1,872	2,025
Total	5,430	5,907
Net book values of subsidiaries	23,951	22,987
Movement in allowance for impairment:		
Balance at beginning and end of the year	(100)	(100)
Foreign exchange adjustment	8	-
Balance at end of the year	(92)	(100)

(a) This loan is an interest free quasi-equity loan from the company to its subsidiary, AP (Vietnam) Holdings Pte Ltd and this loan is not expected to be repaid in the foreseeable future. AP (Vietnam) Holdings Pte Ltd in turn holds the group's 30% equity interest in the associate, AP Saigon Petro Joint Stock Company (Note 17).

The subsidiaries held by the company and the subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of company		Effective percentage of equity held by group	
	2014	2013	2014	2013
	$'000	$'000	%	%
A.I.M. Chemical Industries Pte Ltd (a) Singapore Toll-blending and manufacturing of speciality chemicals and trading of chemical products	2,178	2,377	100	100
Alpha Pacific Petroleum (S) Pte Ltd (a) Singapore Importers, exporters and blending of lubricating oil and grease	458	500	100	100

15. Investments in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of company		Effective percentage of equity held by group	
	2014 $'000	2013 $'000	2014 %	2013 %
AP Oil Pte Ltd (Formerly known as AP Energy & Resources Pte Ltd) (a) Singapore Importers, exporters of mineral, steel-related, oil and oil-related products as well as investment holding	92	100	100	100
GB Chemicals Pte Ltd (a) Singapore Trading in cleaning and chemicals products and equipment	917	1,000	100	100
Axel Oil Pte Ltd (a) Singapore Wholesale of mineral fuels and lubricants (Dormant)	5	5	100	-
AP (Vietnam) Holdings Pte Ltd (a) Singapore Investment holding	(b)	(b)	100	100
Alpha Pacific Developments Holdings Pte Ltd (a) Singapore Property investment Dormant	(b)	(b)	100	100
Held through Alpha Pacific Petroleum (S) Pte Ltd: AP Oil Limited (Formerly known as Alpha Pacific Petroleum Company Limited) (c) United Kingdom Dormant			100	100
Held through AP Oil Pte Ltd (Formerly known as AP Energy & Resources Pte Ltd): AP Tang Mining Phil. Corporation (d) Philippines Dormant			90	90

15. Investments in subsidiaries (cont'd)

(a) Audited by RSM Chio Lim LLP in Singapore.
(b) Cost of investment is less than $1,000.
(c) The financial statements of this subsidiary are not required to be audited under the laws of United Kingdom and it is not material.
(d) Two shares, representing 0.008% interest in the subsidiary are held in trust by certain directors of the company. Not audited, as it is immaterial.

16. Investment in associate and assets and disposal group held for sale under FRS105

	Group	
	2014 $'000	2013 $'000
Movements in carrying value:		
At beginning of the year	1,368	1,314
Share of the profit for the year	259	392
Dividends	-	(338)
	1,627	1,368
Carrying value comprising:		
Unquoted equity shares at cost less impairment allowance	750	750
Share of post-acquisition profits, net of dividends received	877	618
	1,627	1,368
Share of net book value of associates	1,627	1,368
Presented in the statements of financial position as:		
Investment in associate	-	1,368
Assets and disposal group held for sale under FRS 105	1,627	-
	1,627	1,368

The investment in associate is presented as held for sale following the decision of management on 11 December 2014 to dispose the entire shareholding in the associate, Systematic Laundry & Uniform Services Pte Ltd. The divestment of associate was completed on 1 January 2015 (Note 31B).

The associate held by the group is listed below:

Name of associate, country of incorporation, place of operations and principal activities (and independent auditors)	Percentage of equity held by group	
	2014 %	2013 %
Held through GB Chemicals Pte Ltd:		
Systematic Laundry & Uniform Services Pte Ltd (a) Singapore Laundry and dry cleaning services (Ong Tong Wang & Co)	38.21	38.21

16. Investment in associate and assets and disposal group held for sale under FRS105 (cont'd)

(a) Equity accounted based on financial statements audited by a firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. The firm's name is indicated above.

The summarised financial information of the associates, not adjusted for the percentage ownership held by the group, is as follows:

	Group	
	2014	2013
	$'000	$'000
Assets	5,899	5,601
Liabilities	1,640	1,932
Revenues	7,241	7,983
Profit for the year	589	1,114

There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends.

17. Investment in joint venture

	Group	
	2014	2013
	$'000	$'000
Movements in carrying value:		
At beginning of the year	1,365	1,210
Share of profit for the year	322	261
Dividend	(135)	(132)
Foreign exchange adjustment	31	31
Transfer to subsidiary (Note 15)	-	(5)
At end of the year	1,583	1,365
Carrying value comprising:		
Unquoted equity shares at cost less impairment allowance	1,297	1,297
Foreign exchange adjustment	(429)	(460)
Share of post-acquisition profits, net of dividends received	715	528
	1,583	1,365
Share of net book value of joint venture	1,583	1,365

The joint venture held by the company is listed below:

Name of joint venture, country of incorporation, place of operations and principal activities (and independent auditors)	Percentage of equity held by group	
	2014	2013
	%	%
Held through AP (Vietnam) Holdings Pte Ltd: AP Saigon Petro Joint Stock Company (a) Vietnam Manufacturing and blending of all types of lubricants, additives and chemicals and provision of logistic services for lubricants, chemicals, additives and petroleum related products (RSM DTL Auditing Company Ltd)	30	30

(a) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

17. Investments in joint venture (cont'd)

17A. Joint Venture - AP Saigon Petro Joint Stock Company ("AP Saigon")

This company and two other entities agreed to combine their asset management and services activities by establishing a separate vehicle AP Saigon Petro Joint Stock Company ("AP Saigon"). The parties expect the arrangement to benefit them in different ways. AP Saigon's legal form is that it causes the separate vehicle to be considered in its own right. The shareholders' agreement establishes joint control of the activities of AP Saigon. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of AP Saigon. The parties recognise their rights to the net assets of AP Saigon as investments and account for them using the equity method.

The summarised financial information for the joint venture and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the joint venture are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2014	2013
	$'000	$'000
Joint venture with AP Saigon Petro Joint Stock Company		
Dividend received from the joint venture	135	132
Revenues	21,712	19,535
Profit for the reporting year	1,072	876
Depreciation and amortisation	4	1
Interest income	458	444
Interest expense	(189)	(222)
Income tax expense	(331)	(301)
Current assets	17,350	9,072
Cash and cash equivalents	1,035	1,520
Non-current assets	732	719
Current liabilities	(12,791)	(5,226)
Current financial liabilities (excluding trade and other payables and provisions)	(11,988)	(4,473)
Reconciliation:		
Net assets of the joint venture	5,291	4,565
Proportion of the reporting entity's interest in the joint venture	30%	30%
Other adjustments	(4)	(5)
Carrying amount of the interest in the joint venture	1,583	1,365

18. Other financial assets, non-current

	Group and Company	
	2014	2013
	$'000	$'000
Keyman life insurance policy as available-for-sale at fair value through other comprehensive income:		
Movements during the year:		
Fair value at beginning of year	724	-
Additions	-	856
Insurance premium charge charged to profit or loss	(5)	(73)
Increase/(decrease) in fair value through other comprehensive income (Note 24)	23	(59)
Foreign exchange adjustment	34	-
Fair value at end of the year	776	724

The investment linked keyman insurance policy relates to life insurance purchased by the company for one of its executive directors. The insured amount of the contract is US$3,000,000. After 15 years from the date of commencement of the policy, the surrender value of the policy will be equal to the accumulated value of the policy.

The fair value of investment linked keyman life insurance policy is based on the total cash surrender value of the contract stated in the annual statement of this policy (level 2) and amount is approximately to $776,000 (2013: $724,000).

19. Other assets

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current assets:				
Prepayment for purchase of land (a)	619	600	-	-
	619	600	-	-
Current assets:				
Prepayments	340	105	293	70
Deposits to secure services	74	74	40	41
Payment made for the acquisition of a new subsidiary (Note 31A)	743	-	743	-
	1,157	179	1,076	111

(a) On 14 January 2008, the group entered into an agreement with a Vietnamese company to set up a joint business contract for the purpose of acquiring two parcels of land at a total purchase price of US$586,000. At end of the reporting year, the group has paid US$468,800 but the land purchase has not been completed. The prepayment is classified to non-current assets as the purchase is not expected to be completed within twelve months.

20. Inventories

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Finished goods and goods for resale	2,190	2,180	1,159	1,298
Raw materials	3,851	5,504	3,403	5,018
	6,041	7,684	4,562	6,316
The write-downs of inventories to profit or loss included in cost of sales	86	32	93	52
Changes in inventories of finished goods	10	358	(139)	86
Raw materials used	77,808	62,029	52,464	37,768

There are no inventories pledged as security for liabilities.

21. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Outside parties	8,733	8,751	3,914	3,720
Less: allowance for impairment	(682)	(689)	(677)	(655)
Subsidiaries (Note 3)	-	-	110	110
Sub-total	8,051	8,062	3,347	3,175
Other receivables:				
Subsidiaries (Note 3)	-	-	2,413	826
Other receivables	96	90	10	11
Sub-total	96	90	2,423	837
Total trade and other receivables	8,147	8,152	5,770	4,012
Movements in above allowance:				
Balance at beginning of the year	689	636	655	603
(Reversed)/Charged for trade receivables to profit or loss included in other gains/ (other losses) (Note 6)	(28)	42	-	41
Foreign exchange adjustments	21	11	22	11
Balance at end of the year	682	689	677	655

22. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not restricted in use	31,303	26,211	17,488	13,768
Interest earning balances	13,987	9,866	2,720	11

The rate of interest for the cash on interest earning balances was between 0.05% and 2.00% per annum (2013: 0.02% and 0.12% per annum).

22A. Non-cash transactions:

During the reporting year, the group acquired plant and equipment with a total cost of $35,000 (2013: $Nil) by means of finance leases.

23. Share capital

	Number of shares issued	Share capital
	No: '000	$'000
Group and company		
Ordinary shares of no par value:		
Balance at 1 January 2013, 31 December 2013 and 31 December 2014	164,531	6,606

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Capital management:

In order to maintain its listing on the Singapore Stock Exchange, it has to have share capital with at least a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars share frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

23. Share capital (cont'd)

There are insignificant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

24. Other reserves

Group	Capital reserves (a) $'000	Fair value reserves $'000	Foreign currency translation reserves $'000	Total $'000
Balance as at 1 January 2013	1,230	-	(3,052)	(1,822)
Decrease in fair value of available-for-sale assets at fair value through other comprehensive income (Note 18)	-	(59)	-	(59)
Exchange difference on translation from functional currency to presentation currency	-	-	679	679
Share of other comprehensive income from equity-accounted joint venture, net of tax	-	-	30	30
Balance as at 31 December 2013	1,230	(59)	(2,343)	(1,172)
Increase in fair value of available-for-sale assets at fair value through other comprehensive income (Note 18)	-	23	-	23
Exchange difference on translation from functional currency to presentation currency	-	-	1,056	1,056
Share of other comprehensive income from equity-accounted joint venture, net of tax	-	-	140	140
Balance as at 31 December 2014	1,230	(36)	(1,147)	47

(a) Capital reserve arises from the capitalisation of retained earnings by way of bonus issue of shares of subsidiaries to the company. The capital reserve is not available for cash dividends.

24. Other reserves (cont'd)

Company	Fair value reserves $'000	Foreign currency translation reserves $'000	Total $'000
Balance as at 1 January 2013	-	(2,103)	(2,103)
Decrease in fair value of available-for-sale assets at fair value through other comprehensive income (Note 18)	(59)	-	(59)
Exchange difference on translation from functional currency to presentation currency	-	463	463
Balance as at 31 December 2013	(59)	(1,640)	(1,699)
Increase in fair value of available-for-sale assets at fair value through other comprehensive income (Note 18)	23	-	23
Exchange difference on translation from functional currency to presentation currency	-	333	333
Balance as at 31 December 2014	(36)	(1,307)	(1,343)

25. Finance leases

Group 2014	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within 1 year	13	(1)	12
Due within 2 to 5 years	23	(2)	21
Total	36	(3)	33
Net book value of plant and equipment under finance leases			76

There are leased assets under finance lease. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligation under finance lease is secured by the lessor's charge over the leased assets. Other detail is as follow:

	2014 $	2013 $
Average lease term in years	3	-
Average effective borrowing rate per year	2.99%	-

26. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	7,059	8,431	4,880	5,348
Subsidiaries (Note 3)	-	-	189	181
Sub-total	7,059	8,431	5,069	5,529
Other payables:				
Subsidiaries (Note 3)	-	-	5,622	5,129
Deposits from customers	862	251	684	120
Other payables	5	40	-	-
Sub-total	867	291	6,306	5,249
Total trade and other payables	7,926	8,722	11,375	10,778

27. Financial instruments: information on financial risks

27A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets:				
Cash and bank balances	31,303	26,211	17,488	13,768
Loans and receivables	8,147	8,152	5,770	4,012
Available-for-sale assets at fair value through other comprehensive income	776	724	776	724
At end of the year	40,226	35,087	24,034	18,504
Financial liabilities:				
Trade and other payables measured at amortised cost	7,064	8,471	10,691	10,658
Other financial liabilities measured at amortised cost	33	-	-	-
At end of the year	7,097	8,471	10,691	10,658

Further quantitative disclosures are included throughout these financial statements.

27. Financial instruments: information on financial risks (cont'd)

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitment at the end of the reporting year. Credit risk on cash balances with banks and any financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

27. Financial instruments: information on financial risks (cont'd)

27D. Credit risk on financial assets (cont'd)

Note 22 discloses the maturity of the cash and cash equivalent balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2013: 30 to 90 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
61-90 days	65	429	19	111
Over 90 days	2,384	1,448	1,493	685
Total	2,449	1,877	1,512	796

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Over 365 days	682	689	677	655
Total	682	689	677	655

The allowance which is disclosed in Note 21 on trade receivables is based on individual accounts totalling $682,000 (2013: $689,000) that are determined to be impaired at the end of reporting year. These are not secured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Top 1 customer	1,550	1,069	1,550	1,069
Top 2 customers	2,920	1,939	1,936	1,641
Top 3 customers	3,315	2,511	2,113	2,051

27. Financial instruments: information on financial risks (cont'd)

27E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	1 to 5 years $'000	Total $'000
Non-derivative financial liabilities:			
2014:			
Gross finance lease obligations	13	23	36
Trade and other payables	7,064	-	7,064
At end of the year	7,077	23	7,100
Non-derivative financial liabilities:			
2013:			
Trade and other payables	8,471	-	8,471
At end of the year	8,471	-	8,471

Company	Less than 1 years $'000	Total $'000
Non-derivative financial liabilities:		
2014:		
Trade and other payables	10,691	10,691
At end of the year	10,691	10,691
Non-derivative financial liabilities:		
2013:		
Trade and other payables	10,658	10,658
At end of the year	10,658	10,658

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30-90 days (2013: 30-90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

27. Financial instruments: information on financial risks (cont'd)

27E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Bank facilities:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Undrawn borrowing facilities – unsecured	30,783	29,295	30,783	29,295

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

27F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets with interest:				
Fixed rate	2,000	1,450	-	-
Floating rate	12,763	9,140	3,496	735
Total at end of the year	14,763	10,590	3,496	735
Financial liabilities with interest:				
Floating rate	33	-	-	-
Total at end of the year	33	-	-	-

Sensitivity analysis:

	Group	
	2014	2013
Financial assets:	$'000	$'000
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase in pre-tax profit for the year by	148	106

The effect on pre-tax profit on a variation in interest rate of the financial liabilities is not significant.

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

27. Financial instruments: information on financial risks (cont'd)

27G. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

Group 2014	United States dollars $'000	Singapore dollars $'000	Euro $'000	Total $'000
Financial assets:				
Cash and cash equivalents	399	15,390	13	15,802
Trade and other receivables	428	3,721	-	4,149
Total financial assets	827	19,111	13	19,951
Financial liabilities:				
Trade and other payables	224	3,564	-	3,788
Total financial liabilities	224	3,564	-	3,788
Net financial assets at end of the year	603	15,547	13	16,163

Group 2013	United States dollars $'000	Singapore dollars $'000	Euro $'000	Total $'000
Financial assets:				
Cash and cash equivalents	123	14,564	14	14,701
Trade and other receivables	424	4,105	-	4,529
Total financial assets	547	18,669	14	19,230
Financial liabilities:				
Trade and other payables	369	3,939	144	4,452
Total financial liabilities	369	3,939	144	4,452
Net financial assets at end of the year	178	14,730	(130)	14,778

Company 2014	Singapore dollars $'000	Euro $'000	Total $'000
Financial assets			
Cash and cash equivalents	2,602	13	2,615
Trade and other receivables	3,182	-	3,182
Total financial assets	5,784	13	5,797
Financial liabilities			
Trade and other payables	1,683	-	1,683
Total financial liabilities	1,683	-	1,683
Net financial assets at end of the year	4,101	13	4,114

27. Financial instruments: information on financial risks (cont'd)

27G. Foreign currency risks (cont'd)

Company 2013	Singapore dollars $'000	Euro $'000	Total $'000
Financial assets:			
Cash and cash equivalents	2,924	14	2,938
Trade and other receivables	1,470	-	1,470
Total financial assets	4,394	14	4,408
Financial liabilities:			
Trade and other payables	1,830	-	1,830
Total financial liabilities	1,830	-	1,830
Net financial assets at end of the year	2,564	14	2,578

There is exposure to foreign currency risk as part of the group's normal business.

Sensitivity analysis for significant items:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
A hypothetical 10% depreciation in the exchange rate of the functional currency against the US Dollars would have an adverse effect on profit before tax of	(60)	(18)	-	-
A hypothetical 10% depreciation in the exchange rate of the functional currency against the Singapore Dollars would have an adverse effect on profit before tax of	(1,555)	(1,473)	(410)	(256)

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there is no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

28. Items in profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2014	2013
	$'000	$'000
Audit fees to the independent auditors of the company	119	119
Other fees to the independent auditors of the company	12	8

29. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Commitment to purchase plant and equipment	401	41	379	18
Commitment to acquire a new subsidiary (Note31A)	83	-	83	-
Total	484	41	462	18

30. Operating lease payment commitments

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not later than 1 year	454	390	90	86
Later than 1 year and not later than 5 years	1,583	1,571	367	354
Later than 5 years	3,545	3,630	1,951	1,968
Rental expense for the year	439	370	84	77

Operating lease payments represent rentals payable for certain factory properties. The lease rental terms are negotiated for a term of 3 to 30 years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

31. Events after the end of the reporting year

A On 10 December 2014, the company entered into a sale and purchase agreement to acquire 60% of shareholding interests in Heptalink Chemicals Pte Ltd, which is engaged in the principal activities of trading and distribution of chemicals, for a consideration of US$625,000, of which the company has paid US$563,000 (equivalent to S$743,000 in Note 19) as at 31 December 2014. Deferred consideration amounting US$62,000 (equivalent to S$83,000 in Note 29) is payable to the vendors upon fulfillment of conditions stated in the sale and purchase agreement. The acquisition was completed on 1 January 2015.

The purchase price allocation exercise (as required under FRS 103 Business Combinations) carried out by the management to determine the fair values of assets and liabilities acquired has not been completed at the date of these financial statements. Accordingly, the management is unable to evaluate the financial effect of this acquisition. The purchase price allocation exercise is expected to be completed not later than 12 months from the date of acquisition.

B. On 11 December 2014, a subsidiary of the group entered into a sale and purchase agreement to dispose 750,000 ordinary shares, representing 38.21% of the issued and paid-up capital of Systematic Laundry & Uniform Services Pte Ltd, an associate of the group, for a cash consideration of $1,994,000 and subsequent tranche consideration of $303,000 subject to the terms and conditions as stipulated in the sales and purchase agreement. The divestment of associate was completed on 1 January 2015.

C. On 25 February 2015, the directors declared an interim dividend of 0.50 cents per share with a total of S$823,000 to be paid to shareholders. The interim dividend is payable in respect of all ordinary shares in issue on 6 March 2015.

D. On 5 March 2015, the company announced the incorporation of a wholly-owned subsidiary, AP Oil Singapore (Shanghai) Limited ("AP Oil Shanghai") in the People's Republic of China. The paid-up capital of AP Oil Shanghai is RMB1,000,000 and its principal activity is that of sales, import and export, trading of lubricants and specialty chemicals.

E. On 6 March 2015, the company entered into a business transfer agreement to with a subsidiary (the "transferee") to transfer the business related to the manufacturing and trading of lubricants and specialty chemicals. Certain assets, inventories and cash sum will be transferred to the transferee for a purchase consideration of S$10,000,000. The purchase consideration is expected to be satisfied by the transferee through the issuance of 10,000,000 ordinary shares of the transferee at the price of S$1 per share on 2 May 2015.

32. Changes and adoption of financial reporting standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

33. Future changes in financial reporting standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans:	
	Employee Contributions	1 Jul 2014
	Improvements to FRSs (Issued in January 2014).	1 Jul 2014
	Relating to	
	FRS 102 Share-based Payment (*)	
	FRS 103 Business Combinations	
	FRS 108 Operating Segments	
	FRS 113 Fair Value Measurement	
	FRS 16 Property, Plant and Equipment	
	FRS 24 Related Party Disclosures	
	FRS 38 Intangible Assets	

33. Future changes in financial reporting standards (cont'd)

FRS No.	Title	Effective date for periods beginning on or after
	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations FRS 113 Fair Value Measurement FRS 40 Investment Property (*)	1 Jul 2014
FRS 114	Regulatory Deferral Accounts	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
FRS 115	Revenue from Contracts with Customers Illustrative Examples	1 Jan 2017
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016

(*) Not relevant to the entity.

34. Reclassifications and comparative figures

Certain reclassifications have been made to the prior year's financial statements. The management has reassessed that AP Saigon is a joint venture of the group. Accordingly, the investment in associate was reclassified to investment in joint venture during the reporting year. The investment in associate and joint venture are both accounted for using equity method. Therefore, there are no financial impact on the group's results arising from this reclassification. Consequently, a statement of financial position as at the beginning of the earliest comparative period is not presented. The reclassifications included the following:

Group	After reclassification $'000	Before reclassification $'000	Difference $'000
Statements of Financial Position			
Investments in associate	1,368	2,733	(1,365)
Investments in joint venture	1,365	-	1,365

Information of Shareholdings

As at 16 March 2015

Issued and fully paid share capital	: SGD 6,605,611.78
Number of shares	: 164,531,172
Class of shares	: Ordinary shares
Voting rights	: One vote per share

Distribution of shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	12	0.74	408	0.00
100 – 1,000	142	8.74	74,578	0.05
1,001 - 10,000	552	33.99	3,484,772	2.11
10,001 - 1,000,000	906	55.79	47,615,552	28.94
1,000,001 and above	12	0.74	113,355,862	68.90
Total:	**1,624**	**100.00**	**164,531,172**	**100.00**

Shareholding held by the public

Based on the information available to the Company as at 16 March 2015, approximately 45.95% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Substantial shareholders

Names of shareholders	Direct interest No. of shares	% of shares	Deemed interest No. of shares	% of shares
Dr Ho Leng Woon[1]	61,406,250	37.32	17,531,250	10.66
Lau Woon Chan	17,531,250	10.66	61,406,250	37.32

Notes:-

1) Dr Ho Leng Woon is the husband of Mdm Lau Woon Chan. They are deemed to be interested in the shares held by each other.

Top Twenty Shareholders

	Name of Shareholders	No. of Shares	% of Shareholdings
1	HO LENG WOON	61,406,250	37.32
2	LAU WOON CHAN	17,531,250	10.66
3	MAYBANK KIM ENG SECURITIES PTE LTD	8,963,875	5.45
4	UOB KAY HIAN PTE LTD	6,808,750	4.14
5	HO CHEE HON (HE QIHONG)	3,168,937	1.93
6	HO AYE ENG	3,065,375	1.86
7	LAU TONG HONG	3,037,500	1.85
8	RAFFLES NOMINEES (PTE) LTD	2,552,000	1.55
9	ABN AMRO CLEARING BANK N.V.	2,249,000	1.37
10	DBS NOMINEES PTE LTD	2,122,925	1.29
11	HAN SEE KWANG	1,300,000	0.79
12	LIU WENYING	1,150,000	0.70
13	HAN CHOON SIANG	862,000	0.52
14	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	857,213	0.52
15	PHILLIP SECURITIES PTE LTD	731,562	0.44
16	CHOO YUIN TIEN	715,312	0.43
17	NG ZHENG XIONG	687,000	0.42
18	SYN CHEE FONG ELIZABETH @ TAY SYN CHEE FONG	674,999	0.41
19	RICK FRANCISCUS JOZEF STOPEL	600,000	0.36
20	OCBC NOMINEES SINGAPORE PTE LTD	597,375	0.36
	Total:	119,081,323	72.37

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of the members of the Company will be held at 18 Pioneer Sector 1, Jurong Singapore 628428 on 29 April 2015 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

AS ORDINARY BUSINESS

1. To receive and consider the audited financial statements of the Company and the Reports of the Directors and Auditors for the year ended 31 December 2014. Resolution 1

2. To re-elect the following director retiring pursuant to the Company's Articles of Association: Resolution 2

   Mr Chang Kwok Wah (Article 107)

3. To re-elect the following director retiring pursuant to the Company's Articles of Association: Resolution 3

   Mr Tan Woon Hum (Article 107)

   Mr Tan Woon Hum shall, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Tan Woon Hum shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To approve the Directors' Fees of SGD 80,000 for the year ending 31 December 2015, payable half-yearly in arrears. Resolution 4

5. To re-appoint RSM Chio Lim LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution as Ordinary Resolution, with or without amendments:

6. Proposed Share Issue Mandate Resolution 6

   "That pursuant to Section 161 of the Companies Act, Cap. 50. and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorized and empowered to:

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

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

   (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier.

[See Explanatory Note (i)]

And to transact any other business which may be properly transacted at an Annual General Meeting.

Explanatory Note:

(i) The proposed Resolution 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

BY ORDER OF THE BOARD

LAU WOON CHAN
Company Secretary

Date: 13 April 2015

Notes:

a) A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

b) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 30 Gul Crescent Jurong Singapore 629535 not less than 48 hours before the meeting.

c) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

d) In the case of joint shareholders, all holders must sign the form of proxy.

PERSONAL DATA PRIVACY:

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

proxy form

IMPORTANT
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy form is, therefore, 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.

I/We ____

of ____

being a member(s) of AP Oil International Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings

as *my / our *proxy / proxies to vote for *me/us on *my / our behalf and if necessary, to demand a poll at the 2015 Annual General Meeting of the Company to be held on Wednesday, 29 April 2015 at 18 Pioneer Sector 1, Jurong Singapore 628428 at 3.00 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the notice of Annual General Meeting. In the absence of specific directions, the proxy / proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2014.		
2	Re-election of Mr Chang Kwok Wah as director.		
3	Re-election of Mr Tan Woon Hum as Director.		
4	Approval of Directors' Fees of SGD 80,000 for the year ending 31 December 2015, payable half-yearly in arrears.		
5	Re-appointment of RSM Chio Lim LLP as Auditors.		
6	Proposed Share Issue Mandate.		

Signed this ______ day of ________________ 2015

Total number of shares held	

____

Signature or Common Seal of shareholder

IMPORTANT:

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

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

5. 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, Cap. 50.

6. The instrument appointing a 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 30 Gul Crescent Jurong Singapore 629535 not later than 48 hours before the time set for the Annual General Meeting.

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 at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

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

CORPORATE INFORMATION
集团资讯

Company Secretary

Ms Lau Woon Chan, BA
Mr. Ho Chee Hon, LLB (Hons), LLM

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Email: enquiry@apoil.com.sg
Website: www.apoil.com.sg

Registrar

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Public Accountants and Chartered Accountants
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04-08 Wilkie Edge
Singapore 228095

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Singapore 049315

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DBS Group Holdings Limited
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Singapore 068809

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Standard Chartered Bank
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