ANNUAL
REPORT
2014

一合环保控股
ENVIRO-HUB HOLDINGS LTD
Let's Restore The Environment!

SHAPING OUR LANDSCAPE

PROPELLED TO NEW HEIGHTS

CORPORATE VISION

Inspire the landscape with iconic property developments and continue to restore the environment with technology and solutions.

CORPORATE MISSION

We Excel as one team.
We Grow by extending our value chain.
We Expand geographical boundaries through a global perspective.
We Build capabilities by strengthening our Infrastructure.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Mr Raymond Ng Ah Hua

Non-Executive Director
Mr Lai Huen Poh

Independent Director
Mr Tan Kok Hiang
Mr Tan Gim Soo
Mr Samuel Poon Hon Thang

AUDIT COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Tan Gim Soo
Mr Samuel Poon Hon Thang

NOMINATING COMMITTEE

Mr Tan Gim Soo (Chairman)
Mr Tan Kok Hiang
Mr Raymond Ng Ah Hua

REMUNERATING COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Tan Gim Soo
Mr Lai Huen Poh

COMPANY SECRETARIES

Ms Joanna Lim Lan Sim
Mr Lee Wei Hsiung

REGISTERED OFFICE

Enviro-Hub Holdings Ltd
3 Tuas Avenue 2
Singapore 639443
Tel: 68632100
Fax: 68612100
Email: info@enviro-hub.com
www.enviro-hub.com

REGISTRAR & TRANSFER OFFICE

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

AUDITORS

KPMG LLP
16 Raffles Quay
Hong Leong Building #22-00
Singapore 048581

Audit Partner-in-charge:
Mr Lau Kam Yuen
(Since financial year 2012)

PRINCIPAL BANKERS

United Overseas Bank Ltd
Malayan Banking Berhad
Hong Leong Finance Limited
DBS Bank Ltd

LEGAL ADVISERS

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

CONTENTS

CORPORATE PROFILE

Enviro-Hub Holdings Ltd ("Enviro-Hub") is a leading recycling and e-waste management corporation that offers innovative, cost effective and environmentally friendly restoration products and services. The Group also operates in the property and construction sector, through its piling business as well as property development and investment divisions.

> Driven by a group of proficient and committed management team, Enviro-Hub is not simply about creating structures but developing a whole new way of living and putting our brand on the global map.

The Group is governed by the Board of Directors under the Chairmanship of Mr Raymond Ng, who has more than 20 years of experience in the recycling industry and more than 10 years experience in the property development industry. His knowledge and expertise has enabled Enviro-Hub to identify and capture business opportunities to produce a multiple stream of growth revenues.

It all began decades ago with a vision to be the world's leading and largest organisation offering environment restoration services to preserve natural resources. Driven by a group of proficient and committed management team, Enviro-Hub is not simply about creating structures but developing a whole new way of living and putting our brand on the global map.

Enviro-Hub has ventured into a proprietary Restorer Technology to convert waste plastic to usable fuel oil. The set up of our Plastics to Fuel ("PTF") processing plant at Sarno (Salerno), Italy is a milestone for our waste plastic recycling business.

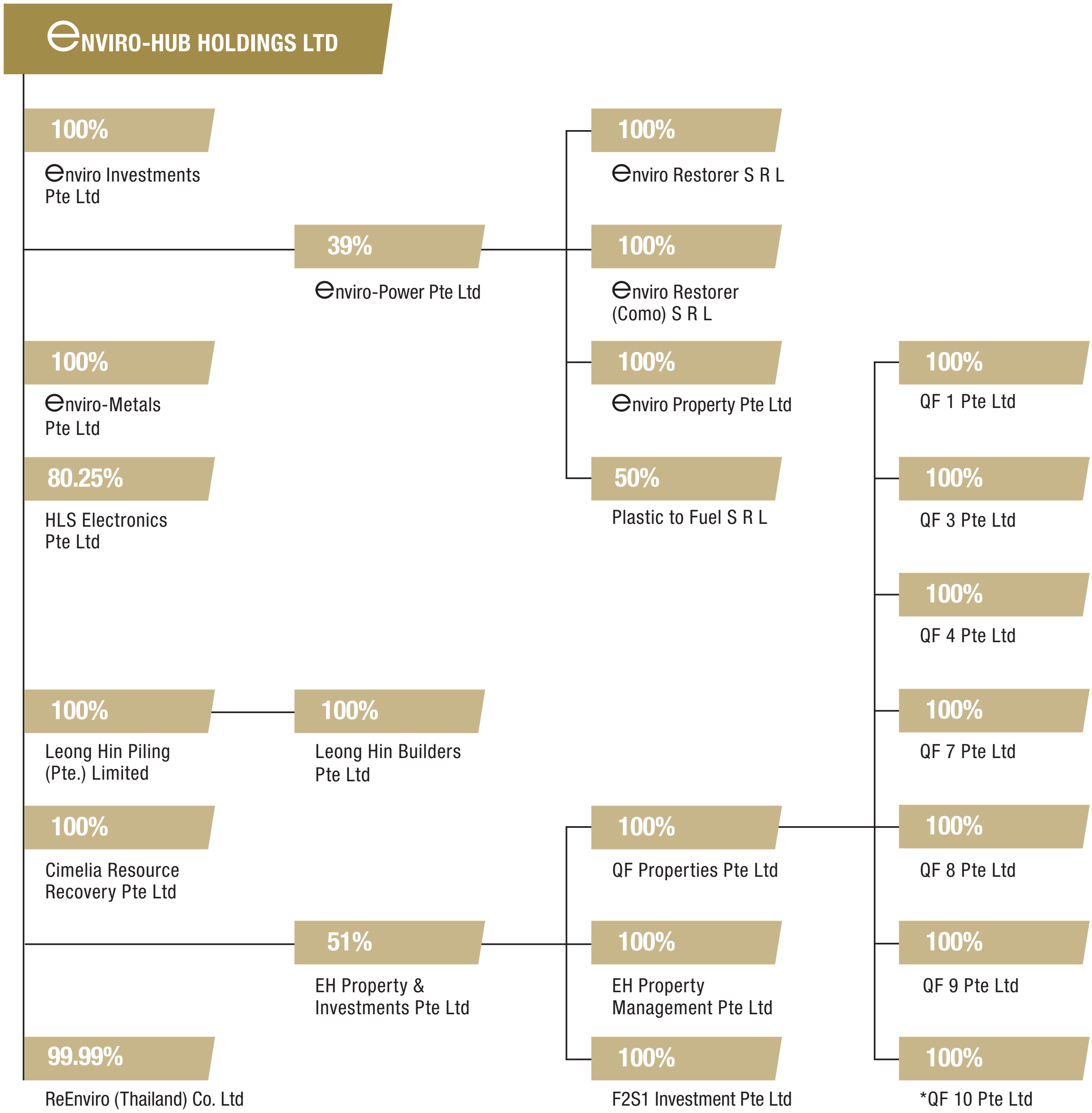
Backed by the full commitment of our staff and management team, Enviro-Hub is able to uphold a track record of constantly delivering quality and reliable solutions to our customers globally. This will ensure that Enviro-Hub maintains an indispensible position as a leader in the Recycling and E-Waste Management industry, to generate continuous and consistent growth for our shareholders.

The Group now possesses a seamless value creation chain in the provision of Total Environmental Management Solutions and Services. Enviro-Hub is a globally trusted brand, relied upon for our technological pursuits and environmental restoration solutions. The Group has also built a solid reputation in the building and construction industry by leveraging on our respective subsidiaries' and associates' capabilities, thus enabling us to diversify into other synergistic core businesses and grow from strength to strength in the future.

Enviro-Hub's businesses include:-

1. **Total WEEE (Waste Electrical Electronic Equipment) solutions**
2. **Recycling of plastics and conversion of waste plastics to fuel**
3. **Recycling of ferrous and non-ferrous metals**
4. **Recovery and refining of platinum group metals**
5. **Piling construction**
6. **Property development and investment**

GROUP STRUCTURE



* Note:
On 9 February 2015, QF Properties Pte Ltd, has entered into a share sale agreement to dispose of the entire issued and paid-up share capital of its subsidary, QF 10 Pte Ltd.

CHAIRMAN'S STATEMENT

RAYMOND NG AH HUA
Executive Chairman

DEAR SHAREHOLDERS

I am pleased to report that Enviro-Hub delivered solid results this year ("FY2014"). Despite facing a challenging operating environment, the Group recorded an increase in revenue by S$49.2 million or 83% as compared to FY2013. This was attributed to the Group's strength in its three core businesses, which are construction (24%), property investment (37%) and recycling (38%). Revenue grew by S$10.2 million or 52% for 4Q FY2014 as compared to FY2013, which was led by the recycling and property investment businesses in the current quarter.

This year, we sought new growth avenues with a newly developed property investment business in 3Q FY2013. Guided by a capable management team, this new business has performed significantly well, which contributed to the Group's improvement in gross profit and gross profit margin for 4Q FY2014, in comparison to the corresponding period in FY2013.

A statement released on 21 March 2014 indicated that our wholly-owned subsidiary, Leong Hin Piling (Pte.) Limited, secured a new contract for construction development in FY2014 ("Project"), which amounted to approximately S$19.17 million. The Project's positive contribution will fortify the Group's bottom line for the current year.

I am glad to announce that our business operations remain on track for greater progress. In the construction segment, the Group entered into a Joint Venture contract with SB Procurement Pte Ltd during the year (announced via SGXNet on 18 May 2014), for the construction, completion and maintenance (for the "Main Contract Works") related to the Lam Huat Project. The Main Contract Works are scheduled for completion within 28 months from the date of commencement. The total contract sum for the Main Contract Works is valued at approximately S$179.5 million. This project is expected to contribute positively to the Group's bottom line for FY2015 and FY2016.

In line with our strategic growth initiatives, the Group continued to explore expansion opportunities in property investment and management, as this segment has generated significant value since its inception in FY2013. To this end, we have recently entered into a MOU with BS Capital Pte Ltd to acquire 87.5% of Carros Project

Management Pte Ltd ("CPM") and 49% of EH Property & Investments Pte Ltd ("EHPI"). The proposed acquisition will enable the Group to exercise full control of these businesses and align their growth with our strategic thrusts. I am optimistic that the acquisitions will enhance the Group's performance in more ways than one. Not only will it bolster our portfolio of investment properties and development properties, the addition of CPM will empower greater synergies with our construction business, provide impetus for greater growth and strengthen the Group's revenue base.

The Group's existing recycling businesses have also secured various MNC contracts in FY2015, which will strengthen our progress in the year ahead. I am confident that our management team will work cohesively to propel this segment's performance in the coming years.

On behalf of the Board of Directors, I would like to thank all our stakeholders for your unwavering support of Enviro-Hub. It is our commitment to continue growing our business together with you. To our trusted Board of Directors, I would like to express my sincere appreciation for your counsel and leadership in the past year and the years to come. I would also like to take this opportunity to thank Mr Wilfried Kofmehl for his contribution during his tenure with us. Mr Kofmehl has stepped down from his appointment as Non-Executive Director in FY2014, and I wish him every success in his future endeavours. To the management and staff of Enviro-Hub, thank you for your dedication and hard work. As we enter a new year, let us work together to stay resilient as we pursue greater organisational and business excellence.

"In line with our strategic growth initiatives, the Group has continued to explore expansion opportunities in property investment and management, as this segment has generated significant value since its inception in FY2013."

BOARD OF DIRECTORS

RAYMOND NG AH HUA

TAN KOK HIANG

TAN GIM SOO

MR RAYMOND NG AH HUA
Executive Chairman

Mr Ng joined the board on 28 October 2004 and was last re-elected as Director of the Company on 29 April 2013. He is a member of the Nominating Committee. As the Executive Chairman, he is responsible for the Group's overall management, business development, investment decisions and strategic direction and planning. He has developed a keen and astute business mindset which has enabled him to identify business opportunities, and is instrumental in spearheading the Group's new business transformation into an environmental hub. He has more than 20 years of experience in the recycling and e-waste management and recovery business. He is also an experienced property developer.

In recognition of Mr Ng's contribution to the community, he was awarded Public Service Medal (PBM) Award in 2003 and Bintang Bakti Masyarakat (BBM) Award in 2014. He has also received a Service to Education Award – Silver in 2010 by the Ministry of Education, Singapore.

MR TAN KOK HIANG
Independant Director

Mr Tan joined the board on 21 May 1999 as an Independent Director. He was last re-elected as Director of the Company on 29 April 2013. He is also the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee. Mr Tan has more than 30 years of experience in accounting, corporate finance, strategic planning and business development. He holds a Bachelor of Accountancy (with Honours) from the University of Singapore and is a member of the Singapore Institute of Directors. He also sits on the boards of a few other public listed companies in Singapore.

MR TAN GIM SOO
Independent Director

Mr Tan joined the board on 5 April 2005 and was last re-elected as Director of the Company on 27 April 2012. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He is also an Independent Director of three other listed companies in Singapore. He has more than 40 years of experience in accounting, auditing and taxation work. Besides being an Independent Director of the Group, he is the Senior Partner of G S Tan & Co., a public accounting firm which he set up in 1976. Prior to setting up his own practice, Mr Tan was an Executive Director of a group of trading companies between 1974 and 1976.

Mr Tan is a Fellow of the Institute of Chartered Accountants in England & Wales, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Accredited Tax Professionals and the Singapore Institute of Directors.

MR SAMUEL POON HON THANG
Independent Director

Mr Poon joined the board on 26 September 2006 and was last re-elected as Director of the Company on 27 April 2012. He is also a member of the Audit Committee. Mr Poon is a distinguished former banker with experience that spans almost three decades in the financial industry. From 1979 to 1988, he served at Citibank NA (Singapore), where he was responsible for credit, marketing, remedial management and structured finance, etc. Mr Poon was also the Senior Executive Vice President at United Overseas Bank Ltd ("UOB"), and was closely involved in running many parts of the bank including corporate banking, corporate finance to branch and consumer banking, etc. He retired from UOB in May 2006 after almost two decades of service. In addition, Mr Poon

SAMUEL POON HON THANG **LAI HUEN POH**

had previously held directorships in various UOB associated companies and subsidiaries. He is also an Independent Director of two other public listed companies, of which one is located in Taiwan. Mr Poon also holds directorships in some private companies.

MR LAI HUEN POH

Non-Executive Director

Mr Lai joined the board on 27 May 2008 as Independent Director and was redesignated to Non-Independent Non-Executive Director on 30 October 2012. He was last re-elected as Director of the Company on 28 April 2014. He is also a member of the Remuneration Committee.

Mr Lai is involved in a wide range of projects both in Singapore and internationally. Besides his professional qualifications, he is also a Singapore Chartered Engineer, member in the Association of Consulting Engineers, UK Corporate Member for the Institute of Civil Engineers and Corporate Member for the Singapore Structural Steel Society.

Mr Lai has served on several BCA committees such as Construction Best Practice, Structural Robustness, International Panel of Experts on Construction and Prefabrication Technology, Assessment Panels for the Construction Productivity Awards, Construction Excellence Awards, Design & Engineering Safety Excellence Awards and BCA-SGBC Green Building Individual Awards, culminating in his appointment to the BCA Board and BCA Academy Advisory Panel in 2011. He is also an advisor and external reviewer to Nanyang Technological University, and was recently appointed to the International Panel of Experts for BIM Technology and the Tender Evaluation Committee for the proposed Ng Teng Fong General Hospital and Jurong Community Hospital.

For his contribution to the nation through his service on the Strata Titles Board, the Ministry of National Development conferred upon him the Meritorious Service Award (Pingat Bakti Masyarakat) in 2011. He has been appointed as a Board Member of the Singapore Land Authority and also a member of the Pro-Enterprise Panel (PEP).

Apart from RSP, Mr Lai holds directorships in Rowsley and several other companies.

KEY EXECUTIVES

TAN LAI MAI

CHAN YEOW MENG

CHENG KIAN LEONG

JERRY NG BOON SONG

ANG MUI NAH

MS TAN LAY MAI

Chief Financial Officer

Director

- HLS Electronics Pte Ltd
- Enviro Property Pte Ltd
- F2S1 Investment Pte Ltd
- EH Property & Investments Pte Ltd
- Enviro-Power Pte Ltd

Ms Tan joined Enviro-hub Holdings Limited ("the Group") on 26 July 2004. She was appointed as the Group's Chief Financial Officer on 1 March 2014. She is responsible for the Group's full spectrum of financial and taxation functions, including the Group's financial planning and analysis, financial policies and budgeting, corporate finance and accounting, treasury, internal controls and compliance with corporate, legal, tax and accounting requirements. She also handles investor relations, investments and acquisitions of the Group.

Ms Tan has more than 20 years of experience in accounting, treasury and auditing. Prior to joining the Group, Ms Tan was with Miyoshi Precision Limited, a company listed on the main board of the SGX-ST. She is a Certified Practicing Accountant of Australia ("ASCPA"), member of Institute of Certified Accountant of Singapore ("ICPAS") and member of Malaysian Institute of Accountants ("MIA"). Ms Tan holds the Bachelor of Business Major in Accountancy (with Honours) from the Edith Cowan University (Perth, Western Australia).

MR CHAN YEOW MENG

Director

- Leong Hin Piling (Pte.) Limited
- Leong Hin Builders Pte Ltd

Mr Chan joined Leong Hin Piling (Pte.) Limited ("LHP") since 1985. He was appointed as Director of LHP on 1 June 2009 and Leong Hin Builders Pte Ltd ("LHB") on 19 July 2013. He specializes in civil construction, geotechnic and piling projects and has vast experience of 30 years in this trade. He oversees the business activities of LHP and LHB in civil, geotechnic and piling projects as well as the construction equipment rental and trading business and building works.

He actively seeks new ideas and advance methods to overcome difficult projects. Under his charge, LHP has completed a wide variety of public and private sector projects utilizing different piling systems.

Mr Chan is the Approved Person for BCA's General and Specialist Builder's license.

MR CHENG KIAN LEONG

Director

- QF Properties Pte Ltd
- QF 1 Pte Ltd
- QF 3 Pte Ltd
- QF 4 Pte Ltd
- QF 7 Pte Ltd
- QF 8 Pte Ltd
- QF 9 Pte Ltd
- QF 10 Pte Ltd
- EH Property Management Pte Ltd
- Leong Hin Builders Pte Ltd

Mr Cheng was appointed as Director of QF Properties Pte Ltd, QF 1 Pte Ltd, QF 3 Pte Ltd, QF 4 Pte Ltd, QF 7 Pte Ltd, QF 8 Pte Ltd, QF 9 Pte Ltd and QF 10 Pte Ltd on 4th June 2013. He was further appointed as Director of EH Property Management Pte Ltd and Leong Hin Builders Pte Ltd on 16 & 19 July 2013. He is responsible for the strategic development of the construction business. Mr Cheng has over 30 years' experience relating to building construction, development and project management consultancy works in the region. His vast experience has seen him involved in the successful completion of major residential, commercial, industrial and resort development projects in Singapore, Indonesia, Malaysia and Vietnam.

Mr Cheng holds a Bachelor of Civil Engineering (honours) and Master of Science in Civil Engineering from the National University of Singapore

MR JERRY NG BOON SONG

Director

- Cimelia Resource Recovery Pte Ltd

Mr Ng joined Cimelia Resource Recovery Pte Ltd as a Senior Sales & Marketing Manager in 2011 and appointed as Director on 19 November 2013. One of the key figures in the Company, Mr Ng plays an integral role in the daily activities in the Company, such as strategic planning, operations, international business relations and marketing events.

Graduated with a BSc. Management (University of London) and Diploma in Electronics (Ngee Ann Poly), Mr Ng possesses more than 13 years of extensive global e-waste experience. He has spearheaded numerous projects, establishing excellent working relationships with many MNCs in the recycling and precious metals recovery industry, and is also credited with contributing to the strategic direction of the Company. Prior to joining Cimelia, Mr Ng runs his own company, which has its core business in the trading of e-waste in the region. In addition, he has also headed several Sales & Marketing Divisions in other recycling firms before joining Cimelia.

MS ANG MUI NAH

Director

- EH Property Management Pte Ltd

Ms Ang joined EH Property Management Pte Ltd as a Director on 31 March 2014. She oversees the day to day management of PoMo and also the advertising and promotion activities for the mall. In addition, she is also responsible for the leasing campaign for both PoMo and Lam Soon Industrial Building.

Ms Ang started her career in the property consultancy sector and her real estate experience span over 15 years which includes real estate sales and marketing. Prior to her role in EH Property Management Pte Ltd, she was managing various retail properties in Orchard and city fringe.

Ms Ang holds a Bachelor of Arts (Monash University) and a Diploma in Building Management (Ngee Ann Polytechnic).

CORPORATE REVIEW

FINANCIAL REVIEW

The Group's revenue increased by $49.2 million or 83% in FY2014 as compared to FY2013. This was primarily attributed to the increase in the sales of the platinum group of metals ("PGM") such as gold recovered by our PGM refinery plant, trading of e-waste, rental income generated from the investment properties.

The Group's profit after tax surged in FY2014. This was significantly attributed to the Group's investment properties' appreciation in fair market value and contribution from its construction businesses in terms of turnover and cost control.

REVENUE INCREASED BY

S$ 49.2 MIL

SEGMENTAL REVIEW

RECYCLING, REFINING AND TRADING OF METALS/E-WASTE DIVISION

These divisions focus on providing e-waste management solutions and recycling services. The loss before income tax from the trading of e-waste / metal and recycling & refining of metals businesses has increased by $1.4 million in FY2014 as compared to FY2013. The increase was primarily due to the provision of the impairment of plant and machinery made during the current financial year.

INVESTMENT PROPERTIES DIVISION

This division was newly set up in the third quarter of 2013 for the purpose of developing, investing and managing the Group's investment properties. The profit before income tax from the investment properties business has increased from $25.9 million in FY2013 to $66.3 million in FY2014. The increase was mainly due to the appreciation in fair market value of the investment properties and full year operating profit generated from the segment.

The profit before income tax from the investment properties business has increased from $25.9 million in FY2013 to $66.3 million in FY2014.

PILING, RENTAL & SERVICING OF MACHINERY AND SALE OF MACHINERY & SPARE DIVISION

These divisions are involved in providing piling services, as well as the rental and sale of cranes and heavy machinery for the construction industry. The profit before income tax generated from the construction business has significantly increased from $0.6 million in FY2013 to $2.6 million in FY2014. The profit recorded in FY2014 was attributed to the increase of construction projects concluded during that financial year and stringent control of fixed costs.

PLASTICS TO FUEL REFINING DIVISION

This division engages in converting plastic waste to usable fuel oil, liquid petroleum gas and coke. The loss before income tax from PTF businesses has decreased slightly by $0.1 million in FY2014 as compared to FY2013. The losses was primarily due to the provision of impairment of the PTF plant made during the current financial year.

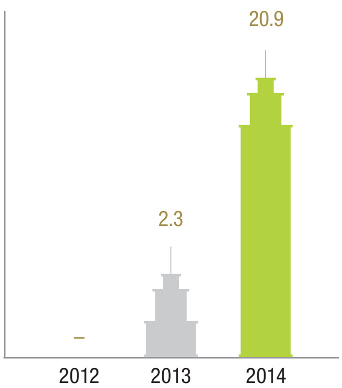
OUTLOOK

The Group intends to expand its portfolio of investment and development properties, as this segment shares strong synergies with the Group's construction business. This strategic approach will provide impetus for future growth, as well as expand the Group's revenue base. The Group will also continue to grow its recycling and construction businesses with the ultimate aim of enhancing value and dlivering greater value to all stakeholders.

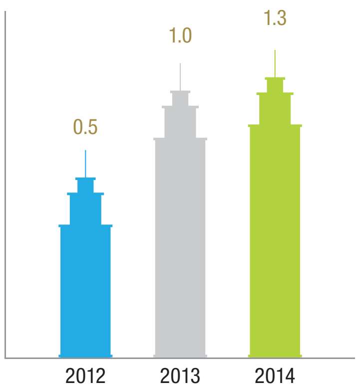
FINANCIAL HIGHLIGHTS

PROPERTY BUSINESS (mil)

Investment Properties

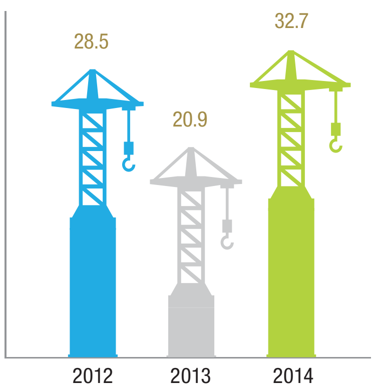


Others



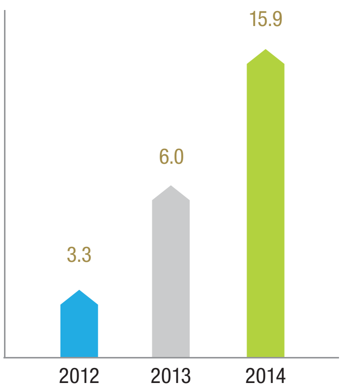
CONSTRUCTION BUSINESS (mil)

Piling Contract, Rental & Servicing

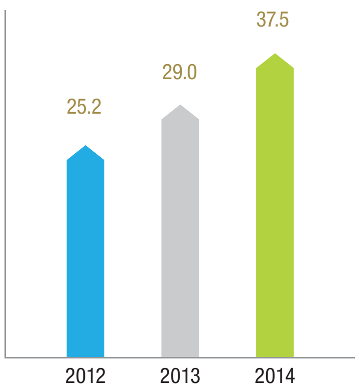


RECYCLING BUSINESS (mil)

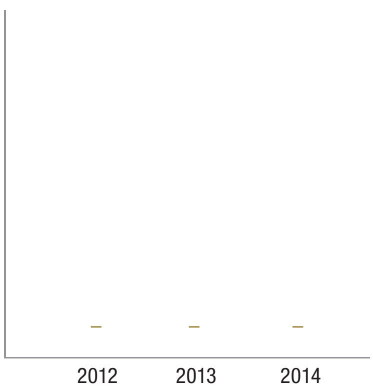
Trading of e-Waste/Metals



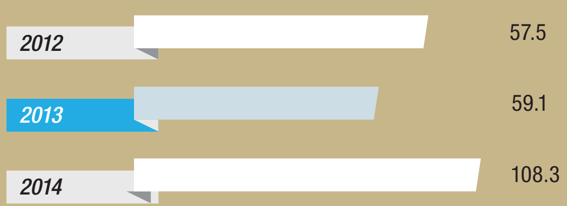
Recycling & Refining of Metals



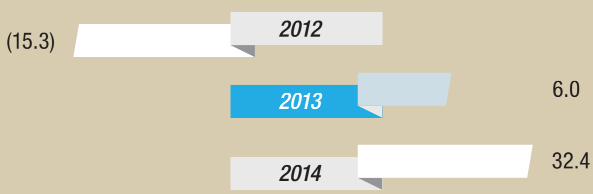
Plastics to Fuel Refining



TOTAL BUSINESS REVENUE (mil)



PROFIT/(LOSS) FOR THE YEAR (mil)



CORPORATE GOVERNANCE

The Board of Directors and Management of **Enviro-Hub Holdings Ltd (the "Company")** remain committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company. This report outlines the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance 2012 (the "Code) issued on 2 May 2012.

The Company is generally in compliance with the principles and guidelines as set out in the Code and in areas where there are deviations from the Code, appropriate explanations are provided within this report. The Board considers that the alternative corporate governance practices are sufficient to meet the underlying objective of the Code.

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.***

Guidelines <u>of the Code</u>	**<u>Corporate Governance Practices of the Company</u>**
1.1	The Company is led and managed by an effective Board. Its primary function is to protect and enhance the long term value and returns for its shareholders. In addition to its statutory responsibilities, the Board has overall responsibility for corporate governance, strategic policies and directions, key business initiatives, major funding and investments proposals, key capital expenditure decisions and other matters to be implemented by Management to ensure that the Group's strategies and affairs are in the interests of the Company and its shareholders. The Board approves the Group's financial plans and reviews its financial performance periodically.
1.2	All directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interests of the Company. There are corporate governance practices in place where a director will not recommend or participate in decisions of the Board or a Board Committee he sits on, if he is interested or deemed to be interested in the said decisions. The independent directors have performed and will continue to perform their duties independently of Management.
1.3	To facilitate effective management, certain functions have been delegated by the Board to various Board Committees. The Board Committees operate under clearly defined terms of reference. The Chairman of the respective Committees will report to the Board the outcome of the Committee meetings. Minutes of the Board Committee meetings are available to all Board members.
1.4	During the financial year ended 31 December 2014 ("FY2014"), the Board has held meetings for particular and specific matters as and when necessary. The Company's Articles of Association (the "Articles") allow the Board to convene meetings by tele-conferencing. Details of the frequency of Board and Board Committee meetings held in FY2014, as well as the attendance of each Board member at these meetings are disclosed in **Table 1**.
1.5	The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Matters which are specifically reserved for decision making by the full Board include those involving corporate plans and budgets, material acquisitions and disposal of assets, corporate and/or financial restructuring, share issues, dividends, other returns to shareholders and interested person transactions.

CORPORATE GOVERNANCE

Guidelines of the Code	Corporate Governance Practices of the Company

The Board also meets to review and consider the following corporate matters:-

- Approval of quarterly and year-end results announcements;
- Approval of the annual reports and financial statements;
- Convene shareholders' meetings;
- Material acquisition and disposal of assets;
- Major investments and funding decisions;
- Financial performance and key operational initiative; and
- Oversee the implementation of appropriate systems to manage the Group's business risk.

1.6 New directors, upon appointment, are briefed on the business and organization structure of the Group. Directors of the Company will also be updated from time to time of any news and relevant changes to statutes and regulatory requirements applicable to the Company's business. Where possible and when the opportunity arises, the non-executive directors ("NEDs") will be invited to location of plants where the Group operates to enable them to obtain a better perspective of the business and enhance their understandings of the Group's operations.

All directors are provided with regular updates on changes in the relevant laws and regulations to enable them to make well-informed decisions and to ensure that the directors are competent in carrying out their expected roles and responsibilities. The directors are aware of the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

The Company has an on-going budget for all directors to attend appropriate courses, seminars and conferences for them to stay abreast of the relevant business developments and changes in the regulatory requirements.

1.7 Formal letters had been issued to all newly appointed directors upon their appointments, setting out their duties and responsibilities as a director. The directors are aware of the requirements in respect of interest in securities, disclosure of conflicts of interests in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

Board Composition and Guidance

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

Guidelines of the Code	Corporate Governance Practices of the Company

2.1 The Board comprises five directors of whom three are independent non-executive directors, one non-executive director and one executive director as at the date of this report. The Board consists of high caliber members with a wealth of knowledge, expertise and experience who contribute valuable direction and insight to the Company.

The composition of the Board is determined in accordance with the following principles:-

- Independence of each director should constitute at least one third of the Board.

- There should be adequate number of directors to serve the various Board committees without over burdening the directors or making it difficult for them to effectively discharge their responsibilities.

A summary of the current composition of the Board and Board Committees is set out on **Table 2**.

2.2 Although the Chairman of the Board is not an independent director, there is a strong independent element on the Board, with 60% of the Board comprising independent directors.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
2.3	The independence of each director is reviewed annually by the Nominating Committee ("NC") based on the guidelines as set out in the Code as well as the respective director's self-declaration in the statement of director's independence.
2.4	Concerning the independence of directors who have served on the Board beyond nine years, it was noted that Mr Tan Kok Hiang has served on the Board beyond nine years (having refreshed his independence once in 2005) whilst Mr Tan Gim Soo has attained his 9 years of service on 4 April 2014. The Board had considered the character and background of Mr Tan Kok Hiang and Mr Tan Gim Soo (both being long serving and are familiar with the Company's history, business as well as with Management) and also noted that they have no relationship with the Company, its related corporations or its officers and are also independent of the executive functions of the Company as well as from its 10% shareholders. Each of the aforesaid non-executive directors has exercised strong independent judgment in their deliberations in the interests of the Company and maintains their objectivity and independence at all times in the discharge of his duties as director. In addition, the independence of character and judgment of each of the directors concerned was not in any way affected or impaired by the length of service. The Board is satisfied with their continued independence of character and judgment and both Mr Tan Kok Hiang and Mr Tan Gim Soo remain as independent directors of the Company.
2.5	The Board considers that the present Board size is appropriate, taking into account the nature and scope of the Group's operation.
2.6	The Board recognizes the importance of an appropriate balance and diversity of skills, experience, gender, knowledge and professional qualifications in building an effective Board. For this purpose, the NC reviews the Board's collective skills matrix regularly. The Board and the board committees comprise directors who as a group provide core competencies, such as accounting and finance, business and management experience, industry knowledge, financial and strategic planning experience and knowledge that are necessary and critical to meet the Group's objectives.
2.7	The non-executive directors aim to assist in the development of proposals on strategy by constructively challenging Management. The non-executive directors would also review the performance of Management in meetings.
2.8	Where warranted, the NEDs meet without the presence of Management or executive directors to review any matters that must be raised privately.

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.***

Guidelines of the Code	**Corporate Governance Practices of the Company**
3.1	The Company does not have the position of Chief Executive Officer. Mr Raymond Ng Ah Hua currently fulfills the role of the Executive Chairman and is responsible for the day-to-day running of the Group, business development, investment decisions, and strategic direction and planning as well as exercising of control over the quality, quantity and timeliness of information flow between the Board, Management and the shareholders of the Company.

CORPORATE GOVERNANCE

Guidelines of the Code	Corporate Governance Practices of the Company
3.2	All major decisions made by the Executive Chairman are reviewed by the Board. His performance will be reviewed periodically by the Nominating Committee and his remuneration package will be reviewed periodically by the Remuneration Committee. The Executive Chairman and other executive and non-executive directors have regular meetings. All important and major decisions relating to the operations and Management of the Group are made jointly and collectively by them. The Board believes that there is a balance of power and authority within the Board as all the board committees are chaired by independent directors. The Executive Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. The Executive Chairman is also responsible for representing the Board to the shareholders, ensuring that Board meetings are held when necessary, setting the Board meeting agenda in consultation with the Chief Financial Officer and/or Company Secretary, acting as facilitator at Board meetings and maintaining regular dialogue with the Management on all operational matters. The Executive Chairman reviews Board papers before they are presented to the Board and ensures that Board members are provided with adequate and timely information.
3.3 & 3.4	As half of the Board comprised independent directors, no lead independent director has been appointed. The Company will review should such a need arise.

Board Membership

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

Guidelines of the Code	Corporate Governance Practices of the Company
4.1	The responsibilities of the Nominating Committee ("NC") are described in its written terms of reference. Its main role is to ensure a rigorous process of board appointments and re-nominations, the determination of independence of each director and identification of new directors who have the appropriate knowledge, experience and skills to contribute effectively to the Board. The NC comprises three directors, a majority of whom, including the Chairman, are independent non-executive directors. The names of the members of the NC are disclosed in **Table 2**.
4.2	The principal function of the NC is to establish a formal and transparent process to:- • Review the background, academic and professional qualifications of each individual director; • Review and recommend the nomination of retiring directors for re-election at each Annual General Meeting ("AGM"); • Nominate and recommend all new appointments to the Board; • Decide, where a director has multiple board representation, whether the director is able to and has been adequately carrying out his duties as a director of the Company; • Assess the performance of the Board as a whole, as well as the contribution of each director to the effectiveness of the Board; • Review and determine annually the independence of each director; and • Review the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
4.3	The NC reviews annually the independence declarations made by the Company's independent non-executive directors based on the criterion of independence under the guidelines provided in the Code. Based on the recommendation of the NC, the Board having reviewed the relationships and length of service of each non-executive director, is satisfied that Mr Tan Kok Hiang and Mr Tan Gim Soo should continue as independent directors as they do not have any existing business or professional relationships with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment. Mr Poon Hon Thang, Samuel and/or his associates have recently entered into a lease agreement for the rental of few commercial units from the Group at arms-length rental rates. Nothwithstanding this relationship, the NC and the Board having considered the character and background of Mr Poon Hon Thang, Samuel and his existing relationships with the directors, is satisfied and continue to consider him as independent as he has exercised strong independent judgment in his deliberations in the best interests of the Company in the discharge of his director's duties.
4.4	The NC reviews annually the time commitment of directors. Notwithstanding that some of the directors have multiple board representations, the NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Company and each director is able to and has been adequately carrying out his/her duties as a director of the Company. The NC and the Board are of the standpoint that setting a maximum number of listed company board representations would not be meaningful as the contributions of the directors would depend on many other factors such as whether they are in full time employment and their other responsibilities or principal commitments. In addition, the board representations presently held by its directors do not impede the performance of their duties to the Company.
4.5	No alternate director has been appointed to the Board.
4.6	The NC is responsible for identifying and recommending new board members to the Board, after considering the necessary and desirable competencies of the candidates which include; (i) academic and professional qualifications; (ii) industry experience; (iii) number of other directorships; (iv) relevant experience as a director; and (v) ability and adequacy in carrying out required tasks. The NC leads the process for board appointments and makes recommendations to the Board. The integrated process of appointment includes:- i. Developing a framework on desired competencies and diversity on board; ii. Assessing current competencies and diversity on board; iii. Developing desired profiles of new directors; iv. Initiating search for new directors including external search, if necessary; v. Shortlist and interview potential director candidates; vi. Recommending appointments and retirements to the board; vii. Election at general meeting.
4.7	The directors who held office during the year up to the date of this report are disclosed in the Director's Report on pages 32 to 35. Details of the directors' profiles are set out on pages 6 and 7 of this Annual Report. The date of the directors' initial appointment and last re-election and their directorships are disclosed in **Table 3**.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

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

Guidelines of the Code	**Corporate Governance Practices of the Company**
5.1	The NC is responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. The NC is also responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company.
5.2	A Board performance evaluation is carried out annually and the assessment parameters include the evaluation of the Board's composition, size and expertise, timeliness of Board information as well as Board accountability and standards of conduct. The objective of the evaluation exercise is to provide an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes have allowed him to discharge his duties effectively and to propose changes which may be made to enhance the Board effectiveness as a whole. Review of the Board's performance, as appropriate, is undertaken collectively by the Board annually by NC with inputs from the Board members. The results of the overall performance of the Board pointed towards a highly satisfactory situation in most areas and there is still room for further improvement in the area of succession planning. Action plans for improvement will be formulated when the situation arises.
5.3	Although the directors are not evaluated individually, the factors taken into consideration with regards to the re-nomination of directors for the current year are based on their attendances, commitment of time and contributions made at meetings of Board and Board committees as well as general meetings.

Access to Information

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

Guidelines of the Code	**Corporate Governance Practices of the Company**
6.1 & 6.2	Board members are provided with adequate and timely information prior to Board meetings, and on an on-going basis. The Board has separate and independent access to the Group's senior management and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur.
6.3	Besides attending all Board meetings and meetings of the Board committees of the Company, the Company Secretary also provides other corporate secretarial supports to the Board and ensures adherence to Board procedures and relevant rules and regulations which are applicable to the Company.
6.4	The appointment and replacement of Company Secretary is a Board reserved matter.
6.5	The Board seeks independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The directors, whether as a group or individually, may seek and obtain legal and other independent professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as directors.

CORPORATE GOVERNANCE

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.***

Guidelines of the Code	**Corporate Governance Practices of the Company**
7.1	The Remuneration Committee ("RC"), regulated by a set of written terms of reference, comprises three members, majority of whom, including the Chairman, are independent non-executive directors. The RC comprises entirely non-executive directors. The names of the members of the RC are disclosed in **Table 2**.
7.2	The RC's role is to review and recommend to the Board the remuneration packages and terms of employment of the executive directors and key executives of the Group. The review will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses and benefits in kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.
7.3	The RC has access to expert advice inside and/or outside the Company on remuneration of directors, where required.
7.4	The RC reviews the service contracts of the Company's executive directors and key executives. Services contracts for executive directors are for a fixed appointment period and may be terminated by not less than six month's notice in writing served by either party or salary in lieu of notice. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the executive directors and key executives.

Level and Mix of Remuneration

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

Guidelines of the Code	**Corporate Governance Practices of the Company**
8.1	**Remuneration policy in respect of executive directors and other key management personnel** The Company's remuneration policy is to provide compensation packages at market rates that reward good performance and attract, retain and motivate directors and managers. It also takes into consideration of the Group's performance. The executive directors are remunerated as members of management. Their remuneration in FY2014 comprises a basic salary component, annual wage supplement, share award scheme and a profit sharing scheme, based on the performance of the Group as a whole and their individual performance.
8.2	The Company obtained shareholders' approval in FY2012 to implement a share award scheme known as the Enviro-Hub Share Award Scheme (the "Scheme"). The Scheme is administered by the RC, comprising Mr Tan Kok Hiang (Chairman), Mr Tan Gim Soo and Mr Lai Huen Poh as at the date of this report.

CORPORATE GOVERNANCE

Guidelines of the Code	Corporate Governance Practices of the Company
	As at the date of this report, Awards comprising 13,614,862 ordinary shares were granted to Mr Raymond Ng Ah Hua, a controlling shareholder and Executive Chairman of the Company pursuant to the Scheme. The Awards granted to Mr Raymond Ng Ah Hua will be released, in whole or in part(s), from time to time during the period when the Scheme is in force at the discretion of the RC, if certain pre-determined performance conditions, as determined by the RC, are achieved, or otherwise in accordance with the rules of the Scheme.
	Further details of the Scheme and the Awards granted and vested under the Scheme are set out in the Directors' Report.
8.3	**Policy in respect of non-executive directors' remuneration**
	The non-executive directors ("NEDs") and the non-executive independent directors ("NEIDs") are remunerated under a framework of basic fees for serving on the board and board committees. The Chairman of the Board also receives a nominal fee.
	Fees for NEDs, NEIDs and Chairman of the Board are subject to the approval of shareholders at the Annual General Meeting ("AGM").
8.4	In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

Disclosure on Remuneration

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

Guidelines of the Code	Corporate Governance Practices of the Company
9.1 to 9.3	**Level and mix of remuneration of directors and key management personnel (who are not also directors or the CEO) for the year ended 31 December 2014.**
	Although the actual remuneration of each director and the top five key management personnel (who are not directors or the CEO) are not fully disclosed, the Company discloses their remuneration using a narrower band of S$100,000 to improve transparency and also discloses in aggregate the total remuneration paid to the directors and the top five key management personnel (who are not directors or the CEO).
	The compensation structure for the key management personnel (who are not directors or the CEO), of Group subsidiaries consists of three key components – salary, bonus and other benefits.
	Table 4 and **Table 4A** sets out the breakdown of the remuneration of the directors and the top five key management personnel (who are not directors or the CEO), respectively, for FY2014.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
9.4	**Remuneration of employees who are immediate family members of a director or the chief executive officer**
	There is no immediate family member (defined in the SGX-ST Listing Manual) as the spouse, child, adopted child, step-child, brother sister and parent) of a director or the CEO in the employment of the Group and the Company whose annual remuneration exceeded S$50,000 during FY2014.
9.5	Detailed information of the Enviro-Hub Share Award Scheme is disclosed in the Directors' Report. The Circular to Shareholders dated 31 October 2012 containing the detailed information on the Enviro-Hub Share Award Scheme is available to shareholders upon their request.
9.6	Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this report under Principles 7, 8 and 9 and in the financial statements of the Group and the Company.

ACCOUNTABILITY AND AUDIT

Accountability

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

Guidelines of the Code	**Corporate Governance Practices of the Company**
10.1	The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days of the end of the quarter. Annual results are released within 60 days of the financial year-end. In presenting the Company's annual and quarterly financial results to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.
10.2	The following policies were established:- (a) Standard Operating Procedure Manual; (b) Directors' Training Policy; (c) Policy on Delegation of Authority; (d) Human Resource Policy; (e) Investor Relations Policy; (f) Financial Risk Management Policy; and (g) Policy on Matters reserved for the Board.
10.3	Management will provide directors with monthly management accounts and an analysis of those accounts, when the need arises.

CORPORATE GOVERNANCE

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 shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.***

Guidelines of the Code — **Corporate Governance Practices of the Company**

11.1 The Group's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board recognizes that the system is subject to inherent limitations and a cost effective internal control system can provide only reasonable and not absolute assurance against irregularities. During the year, the Audit Committee ("AC"), on behalf of the Board and through the assistance of internal and external auditors, had reviewed the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology controls and risk management.

The process used by the AC to review the effectiveness of the system of internal controls and risk management includes:-

i. Discussions with Management on risk identified by Management;
ii. The audit processes;
iii. The review of internal and external audit plans; and
iv. The review of significant issues arising from internal and external audits.

11.2 In addition to the work carried out by the external auditors and internal auditors, the Group has engaged an international accounting firm to document the framework that enables Management to address the financial, operational and compliance risks of the key operating units. The process involved the identification of major risks for the Group's business units whereby the business units' key risks of financial, operational and compliance nature, as well as the countermeasures in place or required to mitigate these risks were summarized for review by the Board. The documentation provided an overview of the Group's key risks, how they are managed, the key personnel responsible for each identified risk type and the various assurance mechanisms in place.

11.3 The Board acknowledges that it is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Board believes that in the absence of any evidence to the contrary and from due enquiry, the system of internal controls that has been maintained by the Group's Management and that was in place throughout the financial year and up to the date of this report is adequate to meet the needs of the Group in its current business environment.

Any material non-compliance and internal control weakness noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

The Company manages risk under an overall strategy determined by the Board and supported by the AC, RC and NC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group and the Company are subject to.

Generally, the risks are exposure to foreign currency, interest rate, insurance, credit, liquidity and project management risk and methods used by management to control the risks are summarized on Note 32 under Notes to financial statements on pages 86 to 96.

Based on the framework established and the reviews conducted by the internal and external auditors, the Board opines, with the concurrence of the AC, that there are adequate controls in place within the Group addressing material financial, operational, compliance and information technology risks to meet the needs of the Group in their current business environment.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
	The Board has received assurance from the Executive Chairman and the Chief Financial Officer that:- • the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and are in accordance with the relevant accounting standards; and • they have evaluated the effectiveness of the Company's internal controls and have discussed with the Company's external and internal auditors of their reporting points and note that there have been no known deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise or report financial data.
11.4	As the Company has not put in place a Risk Management Committee, the Board, the AC and the Management assume the responsibility of the risk management function. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

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.***

Guidelines of the Code	**Corporate Governance Practices of the Company**
12.1	The Audit Committee ("AC"), regulated by a set of written terms of reference, comprises three independent non-executive directors. The names of the members of the AC are disclosed in **Table 2**.
12.2	The AC has three members namely Mr Tan Kok Hiang, Mr Tan Gim Soo and Mr Poon Hon Thang, Samuel, who have accounting or related financial management expertise or experience.
12.3	The AC has explicit authority to investigate any matter within its terms of reference; has full access to and cooperation from Management and has full discretion to invite any director and executive officer to attend its meetings; and has given reasonable resources to enable it to discharge its functions properly.
12.4	The duties of the AC are:- a. Reviews the scope of work and results of the audit done by the external auditors, and evaluate the cost effectiveness and the independence and objectivity of the external auditors; b. Meets on quarterly basis to review the quarterly and full year announcements of the results and the financial position of the Group before submission to the Board for approval; c. Reviews the adequacy of the internal control systems of the Group through discussion with the Management and external auditors;

CORPORATE GOVERNANCE

Guidelines of the Code	Corporate Governance Practices of the Company
	d. Reviews the effectiveness of the internal audit function, internal audit plans and discuss with the Management on the significant internal audit observations and actions to correct any deficiencies; e. Recommends to the Board for the re-appointment of external auditors and approving their remuneration and terms of engagement of the external auditor; f. Reviews the adequacy of the assistance given by the Group's officers to the external and internal auditors; g. Reviews the requirements for approval and disclosure of interested person transactions, and where necessary, review and seek approval for interested persons transactions; h. Reviews the consolidated financial statements of the Group and the Auditors' Report on those financial statements before submission to the Board; i. Reviews the adequacy of the group's internal controls; j. Undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and k. Undertakes such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.
	Save for the fees paid for audit engagement, the non-audit services provided by the Company's external auditors, KPMG LLP, are immaterial and would not affect the independence of the auditors. The AC has recommended and the Board has approved the re-appointment of KPMG LLP as external auditors at the forthcoming AGM.
12.5	The AC meets annually with the external auditors without the presence of Management to review any matters that might be raised. Where warranted, the AC shall meet with the internal auditors without the presence of Management to review any matters that must be raised.
12.6	The amount of audit and non-audit fees paid to the external auditors in FY2014 was S$350,000 and S$36,000 respectively.
	The AC has reviewed the non-audit services (due diligence and tax compliance services) provided by the external auditors to the Group in FY2014 and is satisfied that such services would not impair the independence of the external auditors in their conduct of the statutory audit.
12.7	The Group has in place, a Whistle-Blowing Policy where employees of the Group can raise concerns about improprieties. Such a policy serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals and / or concerns about possible improprieties in financial reporting or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Details of the whistle-blowing policies and arrangements have been made available to all employees. As at to date, no reports of fraudulent or inappropriate activities and malpractices has been received.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
12.8	Summary of AC's Activities in FY2014

During the year, the AC:-

i. reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results;

ii. reviewed the key areas of Management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials;

iii. reviewed and approved both the Group internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls comprise financial, operational, information technology and compliance controls of the Company;

iv. reviewed the independence and objectivity of the internal and external auditors through discussions with the internal and external auditors;

v. reviewed non-audit fees and whether the provision of such services affects their independence;

vi. reviewed the appointment of a different auditor for its subsidiaries (if any);

vii reviewed the accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group;

viii reviewed the internal audit functions and discusses accounting implications of major transactions including significant financial reporting issues;

ix reviewed interested party transaction; and

x. reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.

Rules 712 to 716 of the SGX-ST Listing Rules

In appointing the audit firms for the Group, the AC and the Board are satisfied that the Group has complied with Listing Rules 712 and 715.

Internal Audit

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

Guidelines of the Code	**Corporate Governance Practices of the Company**
13.1	The internal audit function of the Group has been outsourced to an audit/accounting firm. The internal auditors report directly and independently to the AC. Being an independent function; the audit work is conducted with impartiality and professional care.

CORPORATE GOVERNANCE

Guidelines of the Code	Corporate Governance Practices of the Company
13.2 to 13.5	On an annual basis, the internal auditor prepares and executes a risk-based audit plan, which complements that of the external auditors, so as to review the adequacy and effectiveness of the Group's financial, operational, compliance and information technology controls, and risk management. In addition, interested person transactions will be reviewed by Audit Committee at least on a quarterly basis. The external auditors will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee. Significant issues are discussed at Audit Committee meetings. The internal auditor follows up on all recommendations from the external auditors to ensure management has implemented them on a timely and appropriate manner and reports the results to the Audit Committee.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

Guidelines of the Code	Corporate Governance Practices of the Company
14.1	All shareholders of the Company receive the Annual Report and notice of Annual General Meeting ("AGM") within the mandatory notice period.
14.2	Shareholders are encouraged to participate at the Company's general meetings. They are allowed to vote in person or appoint proxy in accordance to the Articles of Association.
14.3	The Memorandum and Articles of Association of the Company does not have a proviso that allows corporations which provide nominee or custodial services to appoint more than two proxies to vote. At present, Depository Agents who hold shares as nominee for shareholders are permitted to appoint more than two proxies. The Company, does however, allow non-shareholders to attend the AGM as observers.

Communication With Shareholders

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

Guidelines of the Code	Corporate Governance Practices of the Company
15.1	The Company has not put in place an investor relations policy to promote regular and proactive communication with shareholders. The Company will review such need going forward.
15.2	The Company is in regular communication with shareholders. It does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group. Price-sensitive information are disclosed in a timely manner and quarterly, half-yearly and full year financial results are released to the public through SGXNet in accordance with the requirements of SGX-ST which are available on SGX website and the Company's website – www.enviro-hub.com
15.3 & 15.4	The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At AGMs, shareholders are given the opportunity to air their views and to ask the directors and Management questions regarding the Group.

CORPORATE GOVERNANCE

Guidelines of the Code	**Corporate Governance Practices of the Company**
15.5	As the Company has registered current year and accumulated losses as at 31 December 2014 and its current priority is to achieve long-term capital growth for the benefit of shareholders, its profits shall therefore be retained for investment into the future. No dividend has been proposed for FY2014. The Board continues to monitor the financial position of the Company and will propose dividends at the appropriate time to the best interest of the shareholders.

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.***

Guidelines of the Code	**Corporate Governance Practices of the Company**
16.1	Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved and also subject to legislative amendment to recognize electronic voting.
16.2	Resolutions to be passed at general meetings are always separate and distinct in terms of issue and are consistent with the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.
16.3	The Board (including the Chairman of the respective Board Committees), Management, as well as the external auditors attend the Company's AGM to address any question that shareholders may have.
16.4	Questions, comments received from shareholders and responses from the Board and Management were recorded in the minutes of AGM. The minutes of general meetings will be prepared and are available to shareholders upon their request.
16.5	To have greater transparency in the voting process, with effect from FY2014, the Company conducts the voting of all its resolutions by poll at all its AGM and EGM. The detailed voting results of each of the resolutions tabled are announced on the same day after the meetings. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNet.
Rule 1207(18) of the SGX-ST Listing Rules	**DEALING IN SECURITIES** An internal code on dealing in securities of the Company has been issued to directors and officers setting out the implications on insider trading. All directors and officers are not allowed to deal in the Company's shares within two weeks and one month of the announcement of the Company's quarterly and full year results respectively. Reminders are sent to the directors and officers prior to the window periods. The directors and officers are not expected to deal in the Company's securities on considerations of a short-term nature. Directors and officers are required to observe insider trading provisions under the Securities & Futures Act (Chapter 289) at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary. The Company's Code of Business Conduct also sets the standards and ethical conduct expected of employees of the Enviro-Hub Group. Directors, officers and employees are required to observe and maintain high standards of integrity, as to be in compliance with the law and the regulations, and company policies.

CORPORATE GOVERNANCE

Rule 1207(8) of the SGX-ST Listing Rules

MATERIAL CONTRACTS

A service agreement dated 1 March 2014 was entered into between the Company and Mr Raymond Ng Ah Hua in relation to his employment with the Company.

Save for the following agreements entered into with Mr Raymond Ng Ah Hua, the Executive Chairman and a controlling shareholder of the Company, or his associates, which is still subsisting as at the end of FY2014, there were no other material contracts involving the interest of the directors or controlling shareholders entered into by the Group which are still subsisting as at the end of the financial year under review or entered into during the financial year under review:-

1. the shareholders' agreement ("LH SHA") dated 30 October 2012 entered into between the Company, BS Capital Pte Ltd ("BS Capital", being a company wholly-owned by Mr Raymond Ng Ah Hua) and Lam Huat Development Pte Ltd ("Lam Huat Development"), as amended or supplemented from time to time, in relation to a joint venture between the Company and BS Capital to jointly invest in a property development project through Lam Huat Development. Under the terms of the LH SHA, the Company has, inter alia, agreed to make available a shareholder's loan of up to S$8 million to Lam Huat Development to fund the joint venture ("LH Shareholder's Loan"). Under the terms of the LH SHA, the LH Shareholder's Loan shall be interest-free, unsecured and repayable at such time as the parties may agree in writing in accordance with the terms and conditions of the LH SHA. Further details on this joint venture and the LH Shareholder's Loan were set out in, inter alia, the Company's announcements on the SGXNet dated 30 October 2012 and 20 November 2012. Please also refer to the section entitled "Interested Person Transactions ("IPTs")" and note 30 to the financial statements entitled "Related Parties" for further details on the LH Shareholder's Loan;

2. the joint venture agreement ("EHP JVA") dated as of 21 June 2013 entered into between the Company, BS Capital and EH Property & Investments Pte Ltd ("EH Property"), as amended or supplemented from time to time, in relation to a joint venture between the Company and BS Capital to jointly carry on the business of property development, investment and management through EH Property. Under the terms of the EHP JVA, the Company has, inter alia, agreed to make available a shareholder's loan of up to S$60 million to EH Property to fund the joint venture ("EH Property Shareholder's Loan"). Under the terms of the EHP JVA, the EH Property Shareholder's Loan shall be interest-free, unsecured and repayable at such time as the parties may agree in writing in accordance with the terms and conditions of the EHP JVA. Further details on this joint venture and the EH Property Shareholder's Loan were set out in, inter alia, the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNet dated 25 June 2013, 8 July 2013 and 24 February 2014. Please also refer to the section entitled "Interested Person Transactions ("IPTs")" below for further details on the EH Property Shareholder's Loan; and

3. the subscription by Mr Raymond Ng Ah Hua of S$13.50 million in principal amount of the 8.5 per cent. fixed rate notes due 2015 issued by the Company on 17 October 2013 ("**Notes**"). The Notes will mature on 16 October 2015. Further details on the Notes and Mr Raymond Ng Ah Hua's interests in the Notes were set out in, inter alia, the Company's announcements dated 10 October 2013 and 17 October 2013. Please also refer to the section entitled "Interested Person Transactions ("IPTs")", the section entitled "Directors' Interests" in the Directors' Report and note 30 to the financial statements entitled "Related Parties" for further details on Mr Raymond Ng Ah Hua's interests in the Notes.

CORPORATE GOVERNANCE

Rule 1207(17) of the SGX-ST Listing Manual

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of interested person transactions entered into during the financial year under review are as follows:-

Name of interested person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions, conducted under Shareholders' Mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Lam Huat Development Pte Ltd	Shareholder loan – S$345,000 (Note 1) Interest income – S$222,759	–
EH Property & Investments Pte Ltd	Shareholder loan S$1,554,777 (Note 2)	–
F2S1 Investment Pte Ltd	Rental–related income S$147,619	–
Kranji Development Pte Ltd	–	Construction–related revenue – S$18,306,728 (Note 3)

Notes:

1. The Company has disbursed S$345,000 during the financial period under review pursuant to existing obligation to make available a shareholder's loan ("LH Shareholder's Loan") of up to an aggregate amount of S$8 million to Lam Huat Development Pte Ltd ("Lam Huat Development") to fund the joint venture entered into between the Company and BS Capital Pte Ltd, details of the LH Shareholder's Loan of which were set out in the Company's annual report for the financial year ended 31 December 2012. As at the financial period ended 31 December 2014, the Company has disbursed an aggregate amount of S$5,511,695 to Lam Huat Development pursuant to the LH Shareholder's Loan.

2. The Company has disbursed an aggregate amount of S$1,554,777 during the financial period under review pursuant to the existing obligation of the Company to fund the joint venture entered into between the Company and BS Capital Pte. Ltd. in relation to EH Property & Investments Pte Ltd ("EH Property") by way of shareholder's loan ("EH Property Shareholder's Loan"). Details of the joint venture and the EH Property Shareholder's Loan were set out in the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNet dated 25 June 2013, 8 July 2013 and 24 February 2014. As at the financial period ended 31 December 2014, the Company has disbursed an aggregate amount of S$47,708,019 to EH Property pursuant to the EH Property Shareholder's Loan.

3. The Company has, at the Company's AGM held on 29 April 2013, obtained a renewal of the shareholders' general mandate ("IPT Mandate") for (i) the grant of corporate guarantees by the Company to banks and financial institutions for banking and financing facilities to be granted to the Company's subsidiaries which fall within the definition of "interested person" as defined in Chapter 9 of the Listing Manual from time to time; and (ii) the provision of construction-related services by a wholly-owned subsidiary of the Company, Leong Hin Piling (Pte.) Limited, its subsidiaries and associated companies from time to time, or any of them, to Mr Raymond Ng Ah Hua and his associates which are expected to be recurrent in nature. As at the financial period ended 31 December 2014, the Group has entered into IPT transaction amounted to S$18,306,728 under the IPT Mandate.

CORPORATE GOVERNANCE

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS FOR FY2014

	Board of Directors		Nominating Committee		Audit Committee		Remuneration Committee	
	Number of Meetings							
Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Raymond Ng Ah Hua	4	4	1	1	–	–	–	–
Tan Kok Hiang	4	4	1	1	4	4	1	1
Tan Gim Soo	4	4	1	1	4	4	1	1
Poon Hon Thang, Samuel	4	4	–	–	4	4	–	–
Lai Huen Poh	4	3	–	–	–	–	1	1
Wilfried Kofmehl*	4	3	–	–	–	–	–	–

* *Resigned on 31 December 2014*

TABLE 2 - BOARD AND BOARD COMMITTEES AS AT DATE OF REPORT

	Board	Nominating Committee	Audit Committee	Remuneration Committee
Executive Director (“ED”)				
Raymond Ng Ah Hua (Executive Chairman)	Chairman	Member	–	–
Non-Executive Directors (“NED”)				
Lai Huen Poh	Member	–	–	Member
Non-Executive Independent Directors (“NEID”)				
Tan Kok Hiang	Member	Member	Chairman	Chairman
Tan Gim Soo	Member	Chairman	Member	Member
Poon Hon Thang, Samuel	Member	–	Member	–

TABLE 3 – DATE OF DIRECTOR’S INITIAL APPOINTMENT & LAST RE-ELECTION & THEIR DIRECTORSHIPS

Name of Director	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past preceding 3 years) directorships in listed companies
Raymond Ng Ah Hua	28/10/2004	29/04/2013	Enviro-Hub Holdings Ltd	–
Tan Kok Hiang	21/05/1999	29/04/2013	(a) Enviro-Hub Holdings Ltd (b) LHT Holdings Ltd (c) Transit-Mixed Concrete Ltd (d) ICP Limited	–
Tan Gim Soo	05/04/2005	27/04/2012	(a) Enviro-Hub Holdings Ltd (b) China Yongsheng Ltd (Fka Global Ariel Ltd) (c) P99 Holdings Limited (Fka. China Fashion Holdings Ltd) (d) SIIC Environment Holdings Ltd (Fka Asia Water Technology Ltd)	–
Poon Hon Thang, Samuel	26/09/2006	27/04/2012	(a) Enviro-Hub Holdings Ltd (b) Soilbuild Construction Group Ltd	–
Lai Huen Poh	27/05/2008	28/04/2014	(a) Enviro-Hub Holdings Ltd (b) Rowsley Ltd	–

CORPORATE GOVERNANCE

TABLE 4 – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the Directors of the Company for the year ended 31 December 2014 is set out below:-

		Breakdown of Remuneration in Percentage (%)					Actual Total Remuneration in Compensation Bands of $100,000 S$
Name of Directors	**Position**	**Directors' Fee**	**Salary**	**Bonus**	**Other Benefits**	**Total**	
Raymond Ng Ah Hua	ED	–	34%	65%	1%	100%	2,000,001 – 2,100,000
Tan Kok Hiang	NEID	100%	–	–	–	100%	<100,000
Tan Gim Soo	NEID	100%	–	–	–	100%	<100,000
Poon Hon Thang, Samuel	NEID	100%	–	–	–	100%	<100,000
Lai Huen Poh	NED	100%	–	–	–	100%	<100,000
Wilfried Kofmehl*	NED	100%	–	–	–	100%	<100,000
The Aggregate Total Remuneration (S$'000) of Directors		S$216,000 10%	S$680,000 30%	S$1,314,466 59%	S$17,386 1%	S$2,227,852 100%	

* *Resigned on 31 December 2014*

Notes:-

ED: Executive Director
NEID: Non-Executive Independent Director
NED: Non-Executive Director

TABLE 4A –REMUNERATION OF TOP 5 KEY MANAGEMENT PERSONNEL

The breakdown of total remuneration of the top 5 key management personnel of the Group (who are not directors) for the year ended 31 December 2014 is set out below:-

		Breakdown of Remuneration in Percentage (%)				Actual Total Remuneration in Compensation Bands of $100,000 S$
Name of Key Management Personnel	**Position**	**Salary**	**Bonus**	**Other Benefits**	**Total**	
Tan Lay Mai *(appointed as CFO on 1 Mar 2014)*	GFC/CFO	86%	11%	3%	100%	400,001 – 500,000
Chan Yeow Meng	SD	80%	6%	14%	100%	100,001 – 200,000
Jerry Ng Boon Song	SD	78%	10%	12%	100%	100,001 – 200,000
Lim Kheng Boon	SD	80%	6%	14%	100%	100,001 – 200,000
Ang Mui Nah *(appointed as Director on 31 Mar 2014)*	SD	80%	10%	10%	100%	100,001 – 200,000
The Aggregate Total Remuneration (S$'000) of Key Management Personnel		S$707,920 82%	S$80,815 10%	S$70,373 8%	S$859,108 100%	

Legend:-

Salary: Fixed pay comprises basic salary and director fees from subsidiaries.
Bonus: Bonus is paid based on the Company and individual's performance.
Other Benefits: Transport Benefits and the Company's contribution towards the Singapore Central Provident Fund where applicable.

Notes:-

GFC: Group Financial Controller
CFO: Chief Financial Officer
SD: Subsidiaries' Director

DIRECTORS' REPORT

Year ended 31 December 2014

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

DIRECTORS

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

Ng Ah Hua
Lai Huen Poh
Samuel Poon Hon Thang
Tan Kok Hiang
Tan Gim Soo
Wilfried Kofmehl (Resigned on 31 December 2014)

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Enviro-Hub Holdings Ltd.		
Ordinary shares		
Ng Ah Hua	401,998,020	401,998,020
Lai Huen Poh	3,131,108	3,131,108
Samuel Poon Hon Thang	373,333	373,333
Tan Kok Hiang	1,666,666	1,666,666
Wilfried Kofmehl	2,891,666	2,891,666
Enviro-Hub Holdings Ltd.		
Fixed rate notes in denominations of $250,000		
Ng Ah Hua	54	54

By virtue of Section 7 of the Act, Mr Ng Ah Hua is deemed to have interests in all other subsidiaries of the Company at the beginning and at the end of the financial year.

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

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

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

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 30 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT
Year ended 31 December 2014

ENVIRO-HUB SHARE AWARD SCHEME

The Enviro-Hub Share Award Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 22 November 2012. The Scheme is administered by the Remuneration Committee, comprising Mr Tan Kok Hiang (Chairman), Mr Tan Gim Soo and Mr Lai Huen Poh as at the date of this report.

Scheme participants (Scheme Participants) will receive fully-paid ordinary shares of the Company free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period determined at the absolute discretion of the Remuneration Committee. Performance targets set under the Scheme are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets to be set include targets based on criteria such as sales growth, earnings per share and return on investment.

The selection of a Scheme Participant and the number of shares which are the subject of each share award (the Award) to be granted to a Scheme Participant in accordance with the Scheme shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target(s) within the performance period.

Other information regarding the Scheme is set out below:

(a) Rationale

The Scheme operates to attract, retain and provide incentive to Scheme Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Scheme Participants generally to contribute towards the Company's long-term prosperity.

(b) Eligibility

The Scheme allows for participation by full-time employees of the Group (including Group Executive Directors) and Non-Executive Directors who have attained the age of 21 years and above on or before the relevant date of Award provided that none shall be an undischarged bankrupt or have entered into any compositions with their respective creditors, and who, in the absolute discretion of the Remuneration Committee, will be eligible to participate in the Scheme.

Persons who are Controlling Shareholders or associates of a Controlling Shareholder are also eligible to participate in the Scheme provided that the participation by such person and the actual number of Awards granted under the Scheme to such Participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the independent Shareholders in a separate resolution for each such person subject to the following:

(i) the aggregate of the number of Shares comprised in Awards granted to Controlling Shareholders or associates of a Controlling Shareholder under the Scheme shall not exceed twenty-five per cent (25%) of the aggregate of the total number of Shares (comprised in Awards) which may be granted under the Scheme; and

(ii) the aggregate of the number of Shares in respect of Awards granted to each Controlling Shareholder or associates of a Controlling Shareholder shall not exceed ten per cent (10%) of the total number of Shares (comprised in Awards) which may be granted under the Scheme.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Remuneration Committee.

(c) Duration of the Scheme

The Scheme shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date the Scheme is adopted by the Company in general meeting, provided always that the Scheme may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the Scheme, any Awards made to Scheme Participants prior to such expiry or termination will continue to remain valid.

DIRECTORS' REPORT

Year ended 31 December 2014

ENVIRO-HUB SHARE AWARD SCHEME (CONT'D)

(d) Size of the Scheme

The aggregate number of Award shares (comprising new shares and/or treasury shares) to be delivered pursuant to Awards granted on any date, when added to the number of new shares issued and issuable and the number of treasury shares delivered, in respect of all other share schemes of the Company for the time being in force (if any) shall not exceed fifteen per cent (15%) of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the Award. The number of existing shares which may be purchased from the market for delivery upon vesting of the Awards granted under the Scheme, will not be subject to any limit. Alternatively, the Company may make a release of Awards in cash instead of shares and Scheme Participants entitled to such Awards will receive in lieu of shares, the aggregate market value of such Shares. Such methods will not be subject to any limit as they do not involve the issue of any new shares or the transfer of any treasury shares.

Details of the Awards granted and vested during the financial year, and Awards outstanding as at the end of the financial year, were as follows:

	Balance as at 1 January 2014	Share awards granted	Share awards allotted	Share awards cancelled	Balance as at 31 December 2014
For Group Chairman					
Mr Ng Ah Hua	13,614,862	–	–	–	13,614,862
Total	13,614,862	–	–	–	13,614,862

From the commencement of the Scheme to the date of this report, Awards comprising 13,614,862 ordinary shares were granted to Mr Ng Ah Hua, a Controlling Shareholder and a Director of the Company pursuant to the Scheme.

Other than above, no other Awards were granted under the Scheme as at 31 December 2014. Awards comprising 5,445,944 ordinary shares granted under the Scheme to Mr Ng Ah Hua have been entitled to Mr Ng Ah Hua for the financial years ended 31 December 2013 and 2014 but have not been allotted as at 31 December 2014.

As at 31 December 2014, apart from Mr Ng Ah Hua, a Controlling Shareholder and a Director of the Company pursuant to the Scheme, no other Scheme Participant has been granted Awards under the Scheme, in aggregate, represents five per cent (5%) or more of the aggregate of the total number of new shares and/or treasury shares available under the Scheme.

SHARE OPTIONS

During the financial year, there were:

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

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

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries.

DIRECTORS' REPORT

Year ended 31 December 2014

AUDIT COMMITTEE

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

- Tan Kok Hiang (Chairman and Independent Director)
- Tan Gim Soo (Independent Director)
- Samuel Poon Hon Thang (Independent Director)

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

The Audit Committee has held 4 meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Group's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

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

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

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

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

AUDITORS

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

On behalf of the Board of Directors

Ng Ah Hua
Director

Tan Kok Hiang
Director

26 March 2015

STATEMENT BY DIRECTORS

Year ended 31 December 2014

In our opinion:

(a) the financial statements set out on pages 38 to 101 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

Ng Ah Hua
Director

Tan Kok Hiang
Director

26 March 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company Enviro-Hub Holdings Ltd.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Enviro-Hub Holdings Ltd. (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 101.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2015

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	4	35,406	55,041	240	182
Intangible assets	5	1,367	2,835	–	–
Investment properties	6	551,900	506,000	–	–
Subsidiaries	7	–	–	18,379	21,679
Joint venture	8	24	–	–	–
Other investments	10	5,512	7,189	5,512	6,763
Trade and other receivables	11	826	398	–	–
Other assets	15	2,249	4,179	–	–
		597,284	575,642	24,131	28,624
Current assets					
Inventories	12	4,984	7,380	–	–
Trade and other receivables	11	16,974	27,814	48,624	63,583
Cash and cash equivalents	14	4,034	3,212	391	831
Assets held for sale	16	7,041	–	–	–
		33,033	38,406	49,015	64,414
Total assets		630,317	614,048	73,146	93,038
Equity attributable to owners of the Company					
Share capital	17	95,888	95,888	95,888	95,888
Foreign currency translation reserve	18	(6,464)	(6,225)	–	–
Other reserve	19	(6,852)	(6,852)	–	–
Accumulated losses		(7,603)	(20,792)	(69,084)	(43,479)
		74,969	62,019	26,804	52,409
Non-controlling interests	9	30,826	11,513	–	–
Total equity		105,795	73,532	26,804	52,409
Non-current liabilities					
Loans and borrowings	20	246,714	315,268	–	30,000
Trade and other payables	22	46,612	33,446	–	–
Deferred tax liabilities	21	408	–	–	–
		293,734	348,714	–	30,000
Current liabilities					
Loans and borrowings	20	201,014	150,775	30,000	–
Trade and other payables	22	24,992	40,443	16,342	10,629
Derivatives		–	584	–	–
Current tax payable		565	–	–	–
Liabilities held for sale	16	4,217	–	–	–
		230,788	191,802	46,342	10,629
Total liabilities		524,522	540,516	46,342	40,629
Total equity and liabilities		630,317	614,048	73,146	93,038

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000 Restated
Continuing operations			
Revenue	23	108,339	59,133
Cost of sales		(92,546)	(57,110)
Gross profit		15,793	2,023
Other income	24	55,771	28,452
Selling and distribution expenses		(3,525)	(2,884)
General and administrative expenses		(7,261)	(6,752)
Other expenses	25	(15,202)	(11,575)
Results from operating activities		45,576	9,264
Finance income	26	225	20
Finance costs	26	(13,652)	(4,032)
Net finance costs		(13,427)	(4,012)
Profit before taxation		32,149	5,252
Income tax expense	27	(975)	–
Profit from continuing operations		31,174	5,252
Discontinued operation			
Profit from discontinued operation (net of tax)	16	1,205	738
Profit for the year		32,379	5,990
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Translation differences relating to financial statements of foreign operations		(97)	103
Other comprehensive income for the year		(97)	103
Total comprehensive income for the year		32,282	6,093
Profit attributable to :			
Owners of the Company	29	12,909	5,296
Non-controlling interests		19,470	694
Profit for the year		32,379	5,990
Total comprehensive income attributable to:			
Owners of the Company		12,670	5,448
Non-controlling interests		19,612	645
Total comprehensive income for the year		32,282	6,093
Earnings per share:			
Basic and diluted (cents)	29	1.26	0.53
Earnings per share – continuing operations			
Basic and diluted (cents)	29	1.20	0.49

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2013	227,696	(6,377)	(6,852)	(162,686)	51,781	10,378	62,159
Total comprehensive income for the year							
Profit for the year	–	–	–	5,296	5,296	694	5,990
Other comprehensive income							
Translation differences relating to financial statements of foreign operations	–	152	–	–	152	(49)	103
Total comprehensive income for the year	–	152	–	5,296	5,448	645	6,093
Transactions with owners, recognised directly in equity							
– Capital reduction exercise (note 17)	(136,318)	–	–	136,318	–	–	–
– Private placement of ordinary shares (note 17)	4,510	–	–	–	4,510	–	4,510
Contributions by and distributions to owners	(131,808)	–	–	136,318	4,510	–	4,510
– Contribution by non-controlling interests in a newly incorporated subsidiary	–	–	–	–	–	490	490
– Share-based payment transactions	–	–	–	280	280	–	280
Total transaction with owners	(131,808)	–	–	136,598	4,790	490	5,280
At 31 December 2013	95,888	(6,225)	(6,852)	(20,792)	62,019	11,513	73,532

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014	95,888	(6,225)	(6,852)	(20,792)	62,019	11,513	73,532
Total comprehensive income for the year							
Profit for the year	–	–	–	12,909	12,909	19,470	32,379
Other comprehensive income							
Translation differences relating to financial statements of foreign operations	–	(239)	–	–	(239)	142	(97)
Total comprehensive income for the year	–	(239)	–	12,909	12,670	19,612	32,282
Transactions with owners, recognised directly in equity							
– Dividends paid	–	–	–	–	–	(299)	(299)
– Share-based payment transactions	–	–	–	280	280	–	280
Total transaction with owners	–	–	–	280	280	(299)	(19)
At 31 December 2014	95,888	(6,464)	(6,852)	(7,603)	74,969	30,826	105,795

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000 Restated
Cash flows from operating activities			
Profit for the year		32,379	5,990
Adjustments for:			
Allowance for/(Reversal of) allowance for inventories	12	857	(737)
Amortisation of intangible assets	5	159	324
Depreciation of property, plant and equipment	4	4,437	4,664
Finance costs	26	13,777	4,067
Finance income	26	(225)	(20)
Gain on disposal of property, plant and equipment	24	(511)	(1,067)
Impairment losses on other investment	25	427	–
Impairment losses on property, plant and equipment	4	8,586	6,540
Impairment losses on other assets	15	1,930	1,786
Impairment losses on intangible assets	5	1,309	1,211
Income from forfeiture of deposit received for the proposed disposal of a subsidiary	24	–	(1,527)
Income tax expense	27	975	–
Loss on disposal of investment in joint venture		–	3
Profit on disposal of other investments	24	(4)	–
Profit on disposal of a subsidiary	24	(2,675)	–
Gain from change in fair value of financial assets designated at fair value through profit or loss	24	(8)	(845)
Fair value gain in investment properties	6	(52,346)	(24,080)
Gain from change in fair value of financial derivatives		–	(39)
Allowance for/(Reversal of) impairment losses on trade and other receivables	25	381	(10)
Share-based payment transactions		280	280
Negative goodwill arising from acquisition of a subsidiary	34	–	(300)
Amortisation of deferred income		(693)	(685)
Fixed asset written off		37	–
		9,072	(4,445)
Changes in working capital:			
Inventories		1,869	(379)
Trade and other receivables		432	(1,453)
Trade and other payables		(2,013)	(284)
Cash generated from/(used in) operating activities		9,360	(6,561)
Income taxes paid		(2)	(1)
Net cash from/(used in) operating activities		9,358	(6,562)

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

CONSOLIDATED
STATEMENT OF CASH FLOWS
Year ended 31 December 2014

	Note	2014 $'000	2013 $'000 Restated
Cash flows from investing activities			
Deposit received for the proposed disposal of subsidiary		–	1,527
Interest received		114	20
Acquisition of investment properties (Note A)		–	(26,240)
Payment for renovation of investment properties		(554)	-
Acquisition of a subsidiary, net of cash acquired		(12,000)	(50,390)
Investment in and quasi-equity loan to other investee		(345)	(205)
Proceeds from disposal of a subsidiary		4,839	–
Proceeds from disposal of other investments		607	–
Proceeds from disposal of property, plant and equipment		934	1,209
Proceeds from disposal of a joint venture		–	2
Acquisition of property, plant and equipment (Note B)	4	(1,954)	(2,653)
(Refund)/Receipt of performance guarantee deposit from a director of subsidiary		(2,000)	2,000
Receipt of tax claims related to investment properties		9,854	–
Investment in and quasi-equity loan to joint venture		(24)	–
Deposit received for the disposal of other investments		–	1,000
Payment of dividend to subsidiary's non controlling interest		(299)	–
Net cash used in investing activities		(828)	(73,730)
Cash flows from financing activities			
Deposits pledged		(1,053)	(105)
Interest paid		(12,776)	(1,794)
Loans from non-controlling interests		13,810	31,854
Bridging loan to non-controlling interests		(79)	(753)
Payment of finance lease liabilities		(2,016)	(2,790)
Proceeds from private placement of ordinary shares	17	–	4,510
Proceeds from issue of shares in a subsidiary to non-controlling interests		–	490
Proceeds from short-term loans and borrowings		6,038	14,946
Repayment of long-term loans and borrowings		(11,931)	(2,823)
Proceeds from issue of notes	20	–	30,000
Net cash (used in)/from financing activities		(8,007)	73,535
Net increase/(decrease) in cash and cash equivalents		523	(6,757)
Cash and cash equivalents at 1 January		(1,313)	5,660
Effect of exchange rate fluctuations on cash held		464	(216)
Cash and cash equivalents at 31 December	14	(326)	(1,313)

Significant non-cash transactions:

Note A

During the financial year, the Group acquired investment properties with an aggregate cost of $Nil (2013: $145,920,000) under a mortgage loan of $Nil (2013: $119,680,000).

Note B

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $2,335,000 (2013: $21,059,000) (note 4) of which $381,000 (2013: $Nil) were acquired under finance leases and $Nil (2013: $6,720,000) were acquired under property loan, $Nil (2013: $4,316,000) were transferred from prepayments and $Nil (2013: $7,370,000) were transferred from other assets.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2015.

1 DOMICILE AND ACTIVITIES

Enviro-Hub Holdings Ltd. (the Company) is incorporated in the Republic of Singapore. The address of the Company's registered office is 3 Tuas Avenue 2, Singapore 639443.

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

The principal activity of the Company is that of an investment holding company. The principal activities of the Group consist of trading of ferrous and non-ferrous metals, trading of electronic waste (e-waste), e-waste recycling and Platinum Group Metals (PGM) refining, plastics to fuel converting, piling works, sale, rental and servicing of engineering hardware, construction machinery and equipment, investing in and management of commercial and industrial properties, and investment holding.

2 BASIS OF PREPARATION

2.1 Going concern basis of accounting

As at 31 December 2014, the Group's current liabilities exceeded its current assets by $197,755,000. Notwithstanding this, the financial statements of the Group have been prepared on a going concern basis because the Board, having assessed the financial position and funding options of the Group, believes that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

On 18 March 2015, the Group entered into a Memorandum of Understanding (MOU) with BS Capital Pte Ltd (BS Capital) in relation to the proposed acquisitions of 87.5% shares in Carros Project Management Pte Ltd, a company principally engaged in the business of property development, property investment and other investment holding, and 49.0% of shares in the Group's subsidiary, EH Property & Investments Pte Ltd. The Group and BS Capital have further undertaken in the MOU to procure the signing of certain sale and purchase agreements which are necessary to give effect to the other transactions and acquisitions contemplated in the MOU (collectively the Proposed Acquisitions). The consideration for the Proposed Acquisitions shall be wholly satisfied through the issuance of ordinary shares in the capital of the Company.

The Proposed Acquisitions are in line with the Group's strategic plans to grow the Property Business through expansion of the Group's portfolio of investment and development properties. The Property Business is expected to provide better prospects of profitability and ensure long term growth for the Group. The Proposed Acquisitions are expected to be completed by September 2015.

The Group's current liabilities comprise a money market loan of $101,000,000 and a term loan of $40,000,000 (note 20) with maturity dates in October 2015 (the Banking Facilities). The lender of the Banking Facilities has acknowledged their awareness of the Proposed Acquisitions and expressed intention to restructure the Banking Facilities upon the completion of the Proposed Acquisitions. The objective of the restructuring of the Banking Facilities is effectively to enable the Group to be able to pay its debts as when they fall due.

In connection with the Proposed Acquisitions, the Group also intends to undertake a fund raising exercise by an issue of new ordinary shares in the Company, convertible loan securities and/or other capital market instruments to meet the Group's cash flows requirements and future developments or expansion plans. The guarantee and other security provided by the Executive Chairman for certain borrowings of the Group as disclosed in note 20 to the financial statements will also ensure that those borrowings continue to be available to the Group.

2.2 Statement of compliance

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

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are measured at fair value as stated in the respective accounting policies detailed below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2 BASIS OF PREPARATION (CONT'D)

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgements

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

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

There are no significant areas about critical judgements in the application of accounting policies that have significant effect on the amounts recognised in the financial statements.

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

- Note 4 – key assumptions used in discounted cash flow projections of property, plant and equipment, intangible assets, and other assets
- Note 7 – estimation of recoverable amounts of investment in subsidiaries
- Note 33 – fair value determination of investment properties

2.6 Changes in accounting policies

On 1 January 2014, the Group adopted new or amended FRS and interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

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

The following are the new or revised FRS and INT FRS that are relevant to the Group:

FRS 110 Consolidated Financial Statements

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

In accordance with the transitional provisions of FRS 110, the Group reassessed the control conclusion for its investees at 1 January 2014 and determines that the consolidation conclusion does not change for its investees. The adoption of FRS 110 has no impact on the recognised assets, liabilities and comprehensive income of the Company.

FRS 111 Joint Arrangements

From 1 January 2014, as a result of FRS 111 *Joint Arrangements*, the Group has changed its accounting policy for its interests in joint arrangements. Under FRS 111, the Group has classified its interest in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its joint arrangements and conclude that the adoption of FRS 110 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2 BASIS OF PREPARATION (CONT'D)

2.6 Changes in accounting policies (cont'd)

FRS 112 Disclosure of Interests in Other Entities

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see note 7).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.6, which addresses changes in accounting policies.

The comparative statement of comprehensive income has been re-presented as if an operation discontinued during the current year had been discontinued from the start of the comparative year (see note 16).

3.1 Basis of consolidation

Business combinations

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

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

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

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

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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

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

Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Loss of control

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

Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and joint ventures in separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

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

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

NOTES TO
THE FINANCIAL STATEMENTS
Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign operations

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

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

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

3.3 Property, plant and equipment

Recognition and measurement

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

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

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

Depreciation

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

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

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

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

Leasehold properties	4 to 24 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 10 years
Furniture and fixtures	3 to 10 years
Office equipment	3 to 10 years
Renovations	5 years

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

3.4 Intangible assets

Other intangible assets

Other intangible assets (patented technology) that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the patented technology of 15 years from the date that it is available for use.

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

3.5 Investment property

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

Non-derivative financial assets

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents, and trade and other receivables (excluding prepayments).

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Financial assets at fair value through profit or loss

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise quasi-equity loans.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

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

Other financial liabilities comprise loans and borrowings, and trade and other payables.

Share capital

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

Derivative financial instruments

The Group holds derivative financial instrument to hedge its interest rate risk exposure but does not designate this derivative financial instrument in a hedge relationship that qualifies for hedge accounting. Derivative is recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative is measured at fair value, and changes therein are recognised immediately in profit or loss.

Financial guarantees

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment

Non-derivative financial assets

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

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

Loans and receivables

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.1. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non-financial assets

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

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

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

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

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

3.8 Inventories

Trading inventories, raw materials and consumables

Inventories are measured at the lower of cost and net realisable value. The cost of inventory items that are not ordinarily interchangeable (electronic waste and other scraps) is assigned by using specific identification of their individual costs and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

The cost of inventory items that are ordinarily interchangeable (precious group metal, and cathodes and anodes) is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Construction work-in-progress

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

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

NOTES TO
THE FINANCIAL STATEMENTS
Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Assets held for sale

Assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to individual assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not depreciated.

3.10 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.11 Revenue

Sale of goods

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

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For trading sales, transfer usually occurs when the product is received at the customer's warehouse; however, for some international shipments, transfer occurs upon loading the goods onto the relevant carrier at the port. Generally for such products, the customer has no right of return.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue (cont'd)

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

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

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is shown as 'construction work-in-progress' and included under 'inventories'. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus representing amounts due to customers is shown as 'deferred income' and included under 'trade and other payables'. Amounts received before the related work is performed are shown as 'deferred income' and included under 'trade and other payables'.

Rental income

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

Services rendered

Revenue from the provision of services is recognised in profit or loss when the services are rendered.

Dividend income

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

3.12 Government grants

Cash grants received from the government are recognised as income upon receipt.

3.13 Leases

When entities within the Group are lessees of a finance lease

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

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Leases (cont'd)

When entities within the Group are lessees of an operating lease

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

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

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

3.14 Finance income and finance costs

Finance income comprises interest income and is recognised as it accrues in profit or loss, using the effective interest method.

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

3.15 Tax

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

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax (cont'd)

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

3.16 Earnings per share

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

3.17 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier, when an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had seen discontinued from the start of the comparative year.

3.18 Segment reporting

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

Segment results that are reported to the Group's Executive Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, cash and cash equivalents, loans and borrowings, deferred income, corporate expenses, and tax assets and liabilities.

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

3.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fixtures $'000	Office equipment $'000	Renovations $'000	Construction-in-progress $'000	Total $'000
Group								
Cost								
At 1 January 2013	16,371	43,124	1,335	309	896	858	8,622	71,515
Acquisition through business combination (note 34)	–	–	–	9	–	–	–	9
Additions	8,440	65	–	30	465	77	11,982	21,059
Transfers	247	–	–	–	–	–	(247)	–
Disposals/write offs	–	(449)	(2)	–	(5)	–	–	(456)
Translation differences on consolidation	–	380	8	9	17	11	210	635
At 31 December 2013	25,058	43,120	1,341	357	1,373	946	20,567	92,762
Additions	–	690	20	7	935	353	330	2,335
Transfers	–	–	–	–	395	46	(441)	–
Disposals/write offs	(8,687)	(850)	(14)	(1)	(251)	(335)	(34)	(10,172)
Translation differences on consolidation	–	535	12	10	28	18	(381)	222
At 31 December 2014	16,371	43,495	1,359	373	2,480	1,028	20,041	85,147
Accumulated depreciation and impairment losses								
At 1 January 2013	1,288	22,724	1,080	249	801	354	–	26,496
Depreciation charge for the year	1,432	2,930	76	29	48	149	–	4,664
Impairment losses	–	488	–	8	–	–	6,044	6,540
Disposals/write offs	–	(310)	(1)	–	(3)	–	–	(314)
Translation differences on consolidation	–	240	5	6	15	6	63	335
At 31 December 2013	2,720	26,072	1,160	292	861	509	6,107	37,721
Depreciation charge for the year	1,471	2,541	75	30	151	169	–	4,437
Impairment losses	–	2,067	–	–	–	–	6,519	8,586
Disposals/write offs	(668)	(433)	(14)	(1)	(248)	(23)	–	(1,387)
Translation differences on consolidation	–	522	8	10	17	13	(186)	384
At 31 December 2014	3,523	30,769	1,229	331	781	668	12,440	49,741
Carrying amounts								
At 1 January 2013	15,083	20,400	255	60	95	504	8,622	45,019
At 31 December 2013	22,338	17,048	181	65	512	437	14,460	55,041
At 31 December 2014	12,848	12,726	130	42	1,699	360	7,601	35,406

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles $'000	Office equipment $'000	Total $'000
Company			
Cost			
At 1 January 2013	95	124	219
Additions	–	97	97
Disposal/write-off	–	(2)	(2)
At 31 December 2013	95	219	314
Additions	–	97	97
Disposal/write-off	–	(18)	(18)
At 31 December 2014	95	298	393
Accumulated depreciation and impairment losses			
At 1 January 2013	19	79	98
Depreciation charge for the year	9	27	36
Disposal/write-off	–	(2)	(2)
At 31 December 2013	28	104	132
Depreciation charge for the year	10	26	36
Disposal/write-off	–	(15)	(15)
At 31 December 2014	38	115	153
Carrying amounts			
At 1 January 2013	76	45	121
At 31 December 2013	67	115	182
At 31 December 2014	57	183	240

Leased machinery

The Group leases production equipment under a number of finance leases. The leased equipment secures lease obligations. At 31 December 2014, the net carrying amounts of leased assets were $1,722,000 (2013: $7,095,000) for the Group.

Security

At 31 December 2014, properties of the Group with the following carrying amounts are pledged as security to secure bank loans (see note 20):

	Group 2014 $'000	Group 2013 $'000
Leasehold properties	12,848	22,338
Plant and machinery	3,811	–

Details of the relevant banking facilities are set out in note 20.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment loss and subsequent reversal

The Group assesses at the end of the financial year whether there are any indications that property, plant and equipment, intangible assets, and non-current other assets are impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset.

In assessing whether there is any indication that an asset may be impaired, the Group considers any changes in the asset's market value, changes in the technological, market, economic or legal environment, movements in market interest rates and other market rates of return on investments that are likely to affect the discount rate used in calculating the asset's value in use, evidence of obsolescence or physical damage of the asset that the economic performance of the asset is, or will be, worse than expected, other changes with an adverse effect on the Group.

Cranes and piling plant and machinery

In 2014, due to changes in market condition for cranes and piling machinery and equipment, a reversal of impairment loss of $519,000 (2013: $193,000) was recognised as other expenses in profit or loss. The estimates of recoverable amounts of $10,509,000 as at 31 December 2014 (2013: $11,237,000), based on fair value less costs to sell, were based on valuation reports obtained from an independent professional valuer. The fair values of the relevant plant and machinery determined by the independent professional valuer were based on the estimated selling price utilising an open market value basis. The fair value measurement of the relevant plant and machinery has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 33).

Recycling and refining of metals plant and machinery

In 2014, due to the low utilisation of certain plant and machinery and continuing operating losses in the recycling and refining of metals business segment, management determined that there were indications of impairment for these assets. As a result, an impairment assessment was performed on those assets. The carrying amounts of the assets were determined to be higher that their recoverable amounts of $Nil (2013: $1,721,000), which were based on value in use, and an impairment loss of $2,357,000 (2013: $388,000) was recognised as other expenses in profit or loss. The estimate of value in use was determined based on discounted cash flows using a pre-tax discount rate of 11.5% (2013: 11.5%).

Plastics to fuel (PTF) CGU

As at the end of the financial year, due to the delayed commencement of commercial operations of the PTF plants within the plastics to fuel refining business segment, management determined that there were indications of impairment for the PTF CGU. As such, an impairment assessment was performed on the PTF CGU.

The recoverable amount of the PTF CGU, which comprises 6 PTF plants, was determined by discounting the pre-tax future cash flows to be generated from the continuing use of the assets in the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount of $12,094,000 as at 31 December 2014 (2013: $22,074,000), which was based on value in use, and an impairment loss of $9,987,000 (2013: $9,334,000) was recognised as other expenses in profit or loss.

The impairment loss was allocated pro-rata to the assets within the CGU as follows:

	Note	2014 $'000	2013 $'000
PTF CGU			
Property, plant and equipment		6,748	6,337
Intangible assets	5	1,309	1,211
Other assets	15	1,930	1,786
		9,987	9,334

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Key assumptions used in discounted cash flow projection calculations for PTF CGU

The key assumptions used in the calculation of value in use were discount rate, useful lives of PTF plants, commencement date for commercial operation of each PTF plant, terminal value, projected annual revenue and operating costs for each PTF plant and budgeted revenue growth rate. The recoverable amounts could change significantly as a result of changes in market conditions and the assumptions used in determining the value in use.

Discount rate

The estimate of value-in use was determined using a pre-tax discount rate of 22% (2013: 20%), based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the inherent risk of the PTF CGU.

5 INTANGIBLE ASSETS

	Patented technology $'000
Group	
Cost	
At 1 January 2013, 31 December 2013 and 31 December 2014	4,600
Accumulated amortisation and impairment losses	
At 1 January 2013	230
Amortisation during the year	324
Impairment losses	1,211
At 31 December 2013	1,765
Amortisation during the year	159
Impairment losses	1,309
At 31 December 2014	3,233
Carrying amounts	
At 1 January 2013	4,370
At 31 December 2013	2,835
At 31 December 2014	1,367

Information on assumptions and estimation uncertainties regarding the impairment loss assessment of intangible assets is disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6 INVESTMENT PROPERTIES

	Note	2014 $'000	2013 $'000
Group			
At 1 January		506,000	–
Acquisition through business combination	34	–	336,000
Other acquisitions		–	145,920
Additions		554	–
Classified as held for sale	16	(7,000)	–
Change in fair value	24	52,346	24,080
At 31 December		551,900	506,000

Investment properties comprise a number of industrial and commercial properties that are leased to third parties. Generally, each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and on average, the renewal period is 3 years. No contingent rents are charged. See note 35 for further information.

Security

Investment properties are pledged as security to secure bank loans as disclosed in note 20.

7 SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Unquoted equity shares, at cost	186,083	186,083
Impairment losses	(167,704)	(164,404)
	18,379	21,679

Impairment loss on subsidiaries

The Company evaluates, amongst other factors, the future profitability of the subsidiary and its financial health and near term business outlook, including factors such as industry and sector performance, changes in technology and operational and financial cash flows, to assess the recoverable amounts of its investments of its subsidiaries. The recoverable amount of the subsidiary could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

7 SUBSIDIARIES (CONT'D)

The movement in impairment losses in respect of investments in subsidiaries during the year was as follows:

	Company	
	2014 $'000	2013 $'000
At 1 January	164,404	129,204
Impairment losses	3,300	35,200
At 31 December	167,704	164,404

Due to continued operating losses of Enviro-Power Pte Ltd, a 39-percent-owned subsidiary of the Company, the Company determined that the recoverable amount was lower than the carrying value and consequently, impairment loss of $1,800,000 (2013: $23,800,000) was recognised as part of other expenses in the Company's profit or loss.

Due to continued operating losses of Cimelia Resource Recovery Pte Ltd, a wholly-owned subsidiary of the Company, the Company determined that the recoverable amount was lower than the carrying value and consequently, impairment loss of $1,500,000 (2013: $11,400,000) was recognised as part of other expenses in the Company's profit or loss.

The estimated recoverable amounts are determined based on the net realisable value of the underlying assets and liabilities of the subsidiaries.

Details of subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2014 %	2013 %
Cimelia Resource Recovery Pte Ltd [1]	E-waste recycling and PGM refining	Singapore	100	100
EH Property & Investments Pte Ltd [1]	Investment holding	Singapore	51	51
Enviro-Metals Pte Ltd [1,2,3]	Recovery and processing of ferrous and non-ferrous metals, melting and refining of copper [3] and rental, servicing and sale of machinery and equipment	Singapore	100	100
Enviro Investments Pte Ltd [2] (previously known as Enviro Oil & Energy Pte Ltd)	Property holding	Singapore	100	100
Enviro-Power Pte Ltd [1,5]	Converting plastics to fuel and investment holding	Singapore	39	39
HLS Electronics Pte Ltd [1]	Trading of e-waste and investment holding	Singapore	80.25	80.25
Leong Hin Piling (Pte.) Limited [1]	Piling contractor	Singapore	100	100
ReEnviro (Thailand) Co. Ltd[2]	Recycling, recovery, refining and trading of electronic waste and precious metals	Thailand	99.99	99.99

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

7 SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2014 %	2013 %
Held by Enviro-Power Pte Ltd				
Enviro Property Pte Ltd [1,5]	Property holding	Singapore	39	39
Enviro Restorer S R L [4,5]	Converting plastics to fuel	Italy	39	39
Enviro Restorer (Como) S R L [2, 4,5]	Converting plastics to fuel	Italy	39	39
Held by HLS Electronics Pte Ltd				
HCG Environment Pte Ltd [1,6]	Property holding	Singapore	-	80.25
Held by Leong Hin Piling (Pte.) Limited				
Leong Hin Builders Pte Ltd [2]	Building and construction related engineering and technical services	Singapore	100	100
Held by EH Property & Investments Pte Ltd				
EH Property Management Pte Ltd [1]	Commercial and industrial real estate management	Singapore	51	51
QF Properties Pte Ltd [1]	Investment holding	Singapore	51	51
F2S1 Investment Pte Ltd [1,7]	Investment holding of real estate and real estate-related investments and real estate activities	Singapore	51	51
Held by QF Properties Pte Ltd				
QF 1 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 3 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 4 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 7 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 8 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 9 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51
QF 10 Pte Ltd [1]	Real estate activities with own or leased property	Singapore	51	51

1 Audited by KPMG LLP, Singapore.
2 Dormant.
3 Activities relating to copper melting and refining had been temporarily ceased since 31 December 2008 and were discontinued in 2011.
4 Audit is not required under local regulations.
5 These entities are classified as subsidiaries of the Group as management has determined that the Group controls these entities. Although the Group owns less than half of these entities, the Group holds more than half of the voting power of these entities by virtue of an agreement with its other investors. Based on the terms of agreements under which these entities are established, the Group receives substantially all of the returns related to their operations and net assets and has the current ability to direct these entities' activities that most significantly affect these returns.
6 Disposed during financial year 2014.
7 Acquired in a business combination during financial year 2013 (note 34).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

7 SUBSIDIARIES (CONT'D)

Security

As at year end, 100% of the Group's shareholdings in F2S1 Investment Pte Ltd are pledged as security to secure bank loans as disclosed in note 20.

8 JOINT VENTURE

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Interest in joint venture	24	–	–	–

Details of the joint venture are as follows:

Name of joint venture	Principal activities	Country of incorporation	Effective equity interest held by the Group 2014 %	2013 %
Plastic to Fuel S R L [1]	Construction, operation and maintenance of plastics to fuel plant and marketing of final products and by-products	Italy	50	–

[1] Dormant

Plastic to Fuel S R L is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in Plastic to Fuel S R L as a joint venture, which is equity-accounted.

The financial information of the joint venture, which are not adjusted for the percentage of ownership held by the Group, are as follows:

	Joint venture	
	2014 $'000	2013 $'000
<u>Assets and liabilities</u>		
Total assets[a]	48	–
Total liabilities	–	–
<u>Results</u>		
Revenue	–	–
Loss after tax	–	–
Contingent liabilities	–	–
Joint venture's capital commitments	–	–

[a] Include cash and cash equivalents of $48,000 (2013: $Nil) classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9 NON-CONTROLLING INTERESTS

The following subsidiaries have material NCI.

Name	Principal places of business/ Country of incorporation	Operating segment	Ownership interests held by NCI 2014 %	2013 %
EH Property & Investments Pte Ltd	Singapore	Investment properties	49	49
Enviro-Power Pte Ltd	Singapore	Plastic to fuel refining	61	61
HLS Electronics Pte Ltd	Singapore	Trading of e-waste / metals	19.75	19.75

The following summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	EH Property & Investments Pte Ltd $'000	Enviro-Power Pte Ltd $'000	HLS Electronics Pte Ltd $'000	Other individually immaterial subsidiary $'000	Intra-group eliminations $'000	Total $'000
2014						
Revenue	21,101	1,076	18,332			
Profit/(loss)	54,919	(12,825)	403			
OCI	–	233	–			
Total comprehensive income	54,919	(12,592)	403			
Attributable to NCI:						
– Profit/(loss)	26,910	(7,823)	80	*	303	19,470
– OCI	–	142	–	–	–	142
– Total comprehensive income/ (loss)	26,910	(7,681)	80	*	303	19,612
Non-current assets	559,948	22,456	219			
Current assets	5,888	846	10,713			
Non-current liabilities	(287,756)	(7,405)	–			
Current liabilities	(199,681)	(30,162)	(4,689)			
Net assets/(liabilities)	78,399	(14,265)	6,243			
Net assets/(liabilities) attributable to NCI	38,416	(8,702)	1,233	*	(121)	30,826
Cash flows from/(used in) operating activities	12,193	(935)	3,176			
Cash flows (used in)/from investing activities	(3,225)	(7)	4,528			
Cash flows (used in)/from financing activities	(9,046)	1,972	(7,922)			
Net (decrease)/increase in cash and cash equivalents	(78)	1,030	(218)			

* Denotes amount < $1,000

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

9 NON-CONTROLLING INTERESTS (CONT'D)

	EH Property & Investments Pte Ltd $'000	Enviro-Power Pte Ltd $'000	HLS Electronics Pte Ltd $'000	Other individually immaterial subsidiary $'000	Intra-group eliminations $'000	Total $'000
2013						
Revenue	2,329	991	6,038			
Profit/(loss)	22,480	(16,793)	362			
OCI	–	(81)	–			
Total comprehensive income	22,480	(16,874)	362			
Attributable to NCI:						
– Profit/(loss)	11,015	(10,244)	71	*	(148)	694
– OCI	–	(49)	–	*	–	(49)
– Total comprehensive income/ (loss)	11,015	(10,293)	71	*	(148)	645
Non-current assets	506,416	33,555	8,483			
Current assets	12,880	745	5,195			
Non-current liabilities	(301,860)	(8,578)	(5,614)			
Current liabilities	(193,957)	(27,390)	(2,224)			
Net assets/(liabilities)	23,479	(1,668)	5,840			
Net assets/(liabilities) attributable to NCI	11,505	(1,017)	1,153	*	(128)	11,513
Cash flows from/(used in) operating activities	45,824	(289)	(1,422)			
Cash flows used in investing activities	(77,070)	(679)	(1,092)			
Cash flows from/(used in) financing activities	30,756	(898)	1,108			
Net decrease in cash and cash equivalents	(490)	(1,866)	(1,406)			

* Denotes amount < $1,000

10 OTHER INVESTMENTS

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current investment				
Financial assets designated at fair value through profit or loss:				
– Equity securities (quoted)	–	2,022	–	1,596
Available-for-sale financial assets:				
– Quasi-equity loans to a joint venture company with a related party (note 36)	5,512	5,167	5,512	5,167
	5,512	7,189	5,512	6,763

The Group and the Company's exposure to market risk and fair value information related to other investments are disclosed in note 32.

The quasi-equity loans are recognised and measured at cost less accumulated impairment as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables	15,122	10,218	–	–
Impairment losses	(5,998)	(5,609)	–	–
	9,124	4,609	–	–
Accrued trade receivables	5,222	8,448	–	–
GST receivable from purchase of investment properties	–	9,854	–	–
Other receivables	945	1,149	117	6
	6,167	19,451	117	6
Receivables from non-controlling interest (non-trade)	–	939	–	753
Amounts due from subsidiaries (non-trade)	–	–	67,926	69,728
Impairment losses	–	–	(19,523)	(6,935)
	–	939	48,403	63,546
Other deposits	667	589	–	2
Loans and receivables	15,958	25,588	48,520	63,554
Prepayments	1,842	2,624	104	29
	17,800	28,212	48,624	63,583
Representing:				
Non-current	826	398	–	–
Current	16,974	27,814	48,624	63,583
	17,800	28,212	48,624	63,583

As at 31 December 2014, non-current and current trade receivables of the Group include retention sums of $826,000 and $1,837,000 (2013: $398,000 and $1,406,000) respectively.

Receivables from non-controlling interest are unsecured, interest-free and repayable on demand.

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

The Group and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables, are disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

12 INVENTORIES

	Note	Group 2014 $'000	Group 2013 $'000
Trading inventories		4,875	7,208
Raw materials and consumables		98	29
		4,973	7,237
Construction work-in-progress	13	11	143
		4,984	7,380

In 2014, changes in inventories recognised as cost of sales in profit or loss amounted to $65,287,000 (2013: $39,425,000).

In 2014, the Group wrote down certain inventories to their net realisable value, which resulted in a loss of $857,000. In 2013, consistent with the performance of commodity markets, the Group reversed allowance for write-down of certain inventories amounting to $737,000.

Certain inventories of the Group have been pledged as collaterals for banking facilities granted to the Group, details of which are set out in note 20.

13 CONSTRUCTION WORK-IN-PROGRESS

	Note	Group 2014 $'000	Group 2013 $'000
Costs incurred and attributable profits		31,263	53,574
Progress billings to-date		(31,252)	(53,431)
Work-in-progress	12	11	143

Construction work-in-progress represents the gross unbilled amount expected to be collected from customer for piling contract work performed to date.

14 CASH AND CASH EQUIVALENTS

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Bank balances		2,831	2,905	391	831
Deposits with financial institutions		1,203	307	–	–
Cash and cash equivalents in the statements of financial position		4,034	3,212	391	831
Bank overdrafts	20	(3,202)	(4,420)	–	–
Deposits pledged	20	(1,158)	(105)	–	–
Cash and cash equivalents in the consolidated statement of cash flows		(326)	(1,313)	–	–

The effective interest rates relating to deposits with financial institutions at 31 December 2014 for the Group range between 0.25% to 1.02% (2013: 0.05% to 0.25%). Interest rates reprice within 1 year, upon maturity of the fixed deposits.

Deposits pledged represent bank balances of certain subsidiaries pledged as security to obtain certain credit facilities, the details of which are set out in note 20.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

15 OTHER ASSETS

	Note	Group 2014 $'000	Group 2013 $'000
At 1 January		4,179	13,335
Transfer to construction-in-progress in property, plant and equipment	4	–	(7,370)
Impairment losses	4	(1,930)	(1,786)
At 31 December		2,249	4,179

Other assets represent advance payments made to Restorer Corp Pte. Ltd. (RC) for the Group's purchase of PTF related plant and machinery. Information on assumptions and estimation uncertainties regarding the impairment loss assessment is disclosed in note 4.

16 ASSETS/LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION

In December 2014, management committed to a plan to sell a subsidiary of the Group, QF10 Pte Ltd, within the investment properties segment. Accordingly, the subsidiary is presented as a disposal group held for sale. The sale is expected to be completed in April 2015.

At 31 December 2014, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Note	Group 2014 $'000
Investment properties	6	7,000
Trade and other receivables		41
Assets held for sale		7,041
Loans and borrowings		4,144
Trade and other payables		73
Liabilities held for sale		4,217

There are no cumulative income or expenses included in OCI relating to the disposal group.

The non-recurring fair value measurement for the disposal group of $2,824,000 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 33).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

16 ASSETS/LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATION (CONT'D)

The disposal group was not previously presented as a discontinued operation or classified as held for sale as at 31 December 2013 and thus the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

	Note	Group 2014 $'000	Group 2013 $'000
Result of discontinued operation			
Revenue		1,409	790
Expenses		(204)	(52)
Result from operating activities		1,205	738
Tax		*	–
Result from operating activities, net of tax / Profit of the year		1,205	738
Basic and diluted earnings per share (cents)	29	0.06	0.04
Cash flows from discontinued operation			
Net cash from/(used in) operating activities		228	(10)
Net cash used in investing activities		–	(9)
Net cash (used in)/from financing activities		(232)	26
Net cash flows for the year		(4)	7

* Denotes amount < $1,000

17 SHARE CAPITAL

	Group and Company Number of shares 2014 '000	Group and Company Number of shares 2013 '000
Fully paid ordinary shares, with no par value:		
At 1 January	1,026,650	985,650
Issued for cash	–	41,000
At 31 December	1,026,650	1,026,650

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Issue of ordinary shares

On 20 August 2013, the Company issued 41,000,000 ordinary shares at an issue price of $0.11 each by way of a private placement for a net cash consideration of $4,510,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17 SHARE CAPITAL (CONT'D)

Capital management

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

The Board of Directors monitors its operating results and net assets. The Group manages its capital structure and makes adjustments to it in consideration of many factors including (a) the changes in economic conditions, (b) the availability of comparatively advantageous financing strategies, (c) the cost of financing and (d) the impact of changes in the Group's liquidity and funding needs pertaining to the Group's business activities. In order to adjust or maintain the capital structure, the Group may consider issuing debt of either a fixed or floating nature, arrange or restructure committed debt facilities, issue new shares or adjust dividend payments.

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

Capital reduction exercise

During the year 2013, pursuant to shareholders' approval at an Extraordinary General Meeting, the Company carried out a capital reduction exercise to cancel the issued and paid-up share capital of the Company which was no longer represented by the available assets. The capital reduction exercise did not have effect on the Group's assets and liabilities, operating results, cash flows or number of shares on issue.

Share Award Scheme

The Enviro-Hub Share Award Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 22 November 2012.

Pursuant to the Scheme, a grant of Award was made to Mr Ng Ah Hua, a controlling shareholder and Executive Chairman of the Company, on 21 December 2012. Details of the grant are as follows:

Number of shares granted	13,614,862 ordinary shares
Vesting period	The Awards granted to Mr Ng Ah Hua will be released, in whole or in part(s), from time to time during the period when the Scheme is in force at the discretion of the Scheme Committee, if certain pre-determined performance conditions, as determined by the Scheme Committee, are achieved, or otherwise in accordance with the rules of the Scheme.
Number of shares to be vested for each year that the Performance Conditions are met	2,722,972 ordinary shares

Awards comprising 5,445,944 ordinary shares granted under the Scheme to Mr Ng Ah Hua have been entitled to Mr Ng Ah Hua for the financial years ended 31 December 2013 and 2014 but have not been allotted as at 31 December 2014.

18 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from the presentation currency of the consolidated financial statements.

19 OTHER RESERVE

Other reserve comprises adjustments to equity attributable to the Company's shareholders arising from transactions with non-controlling interests without a change in control.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

20 LOANS AND BORROWINGS

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current liabilities					
Secured bank loans		246,263	284,857	–	–
Unsecured notes		–	30,000	–	30,000
Finance lease liabilities		451	411	–	–
		246,714	315,268	–	30,000
Current liabilities					
Bank overdrafts (unsecured)	14	3,202	4,420	–	–
Secured bank loans		146,404	129,894	–	–
Unsecured notes		30,000	–	30,000	–
Trust receipts (secured)		21,083	14,491	–	–
Finance lease liabilities		325	1,970	–	–
		201,014	150,775	30,000	–
Total loans and borrowings		447,728	466,043	30,000	30,000

Terms and debt repayment schedule

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

	Nominal interest rate	Year of maturity	2014 Face value $'000	2014 Carrying amount $'000	2013 Face value $'000	2013 Carrying amount $'000
Group						
Unsecured notes	8.50%	2015	30,000	30,000	30,000	30,000
S$ fixed rate loan I	3.50%	2014	–	–	9,856	9,856
S$ fixed rate loan II	6.45%	2015	219	219	–	–
S$ floating rate loans I	COF^ + 1.75% – 2.39%	2014 – 2025	8,579	8,579	9,730	9,730
S$ floating rate loans II	3 months SOR* + 1.75%	2014 – 2015	660	660	1,380	1,380
S$ floating rate loans III	COF^ + 2.00%	2015	500	500	500	500
S$ floating rate loans IV	SOR* + 1.75%	2014	–	–	6,399	6,399
S$ floating rate loans V	SIBOR + 2.00%	2014 – 2029	114,936	114,936	119,680	119,680
S$ floating rate loans VI	SOR* + 1.75%	2015 – 2019	165,000	165,000	164,806	164,806
S$ floating rate loans VII	SOR* + 1.75%	2015	101,000	101,000	101,000	101,000
S$ floating rate loans VIII	COF^ + 2.25%	2014	–	–	1,400	1,400
S$ floating rate loans IX	SIBOR + 2.50%	2014 – 2018	1,773	1,773	–	–
S$ finance lease liabilities	1.50% – 1.70%	2014 – 2017	810	776	2,438	2,381
Group						
S$ trust receipts	1.68% – 7.00%	2014 – 2015	13,870	13,870	4,376	4,376
US$ trust receipts	1.86% – 2.40%	2014 – 2015	7,119	7,119	8,928	8,928
EUR trust receipts	2.20% – 2.21%	2014	–	–	1,187	1,187
THB trust receipts	3.98% - 5.00%	2015	94	94	–	–
S$ bank overdrafts	Prime lending rate + 0.25% – 1.75%	2014 – 2015	3,202	3,202	4,420	4,420
			447,762	447,728	466,100	466,043
Company						
Unsecured notes	8.50%	2015	30,000	30,000	30,000	30,000

^ The respective bank's cost of funds.

* Singapore Swap Offer Rate (SOR) represents the average cost of funds used by banks in Singapore for commercial lending.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

20 LOANS AND BORROWINGS (CONT'D)

The bank loans and trust receipts are secured as follows:

(a) First legal mortgage over leasehold properties with carrying amounts of $12,848,000 (2013: $22,338,000);

(b) First legal mortgage over asset held for sale with carrying amounts of $7,000,000 (2013: $5,810,000);

(c) First legal mortgage over investment properties with carrying amounts of $189,900,000 (2013: $164,190,000);

(d) First and second legal mortgages over an investment property with carrying amounts of $362,000,000 (2013: $336,000,000);

(e) First fixed charge over 100% shareholdings of F2S1 Investment Pte Ltd;

(f) Deposits amounting to $1,158,000 (2013: $105,000);

(g) Fixed charges on inventories with carrying amounts of $4,972,000 (2013: $7,204,000);

(h) Guarantee by the Executive Chairman of the Company;

(i) Fixed charges on 200 million shares of the Company held by the Executive Chairman;

(j) Fixed charge on certain plant and machinery with carrying amount of $3,811,000 (2013: $Nil).

Finance lease liabilities

At 31 December, the Group have obligations under finance leases payable as follows:

	2014			2013		
	Principal $'000	Interest $'000	Payments $'000	Principal $'000	Interest $'000	Payments $'000
Group						
Payable within 1 year	325	18	343	1,970	45	2,015
Payable after 1 year but within 5 years	451	15	466	411	12	423
Total	776	33	809	2,381	57	2,438

The finance lease liabilities are secured by property, plant and equipment under the leases as disclosed in note 4. The Group and the Company's exposure to interest rate, foreign currency and liquidity risks are disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

21 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Note	Group 2014 $'000
Trade receivables	11	2,401

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

	At 1 January and 31 December 2013 $'000	Recognised in profit or loss (note 27) $'000	At 31 December 2014 $'000
Group			
Deferred tax liabilities			
Trade receivables	–	408	408

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current				
Deferred income	944	1,592	–	–
Amount due to non-controlling interests (non-trade)	45,668	31,854	–	–
	46,612	33,446	–	–
Current				
Deferred income	727	891	–	–
Trade payables	6,302	6,284	–	–
Payables to vendor for the acquisition of a subsidiary	–	12,000	–	–
Performance guarantee deposit from a director of a subsidiary	–	2,000	–	–
Project cost accrual	777	–	–	–
Deposits received for the disposal of other investments	–	1,000	–	–
Other accruals	4,773	7,278	1,953	1,047
Other payables	7,686	6,386	491	1,362
Amount due to non-controlling interest (non-trade)	4,727	4,604	–	–
Amounts due to subsidiaries (non-trade)	–	–	13,898	8,220
	24,992	40,443	16,342	10,629

The deferred income on sale and leaseback relates to the excess profits (the excess of the sale price over the fair value) arising from the sale and leaseback of certain leasehold properties previously held by the Group. The excess profits are deferred and amortised over the lease period of 10 years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

22 TRADE AND OTHER PAYABLES (CONT'D)

The non-current amount due to non-controlling interests is unsecured and interest-free. The amount is repayable on demand after 2015. The current amount due to non-controlling interests bear interest at 2% (2013: 2%) and are repayable on demand. The amount payable to vendor for the acquisition of a subsidiary is unsecured, bears interests at 12% per annum and is repayable in 2014. The non-trade amounts due to subsidiaries are interest-free and repayable on demand.

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables are disclosed in note 32.

23 REVENUE

	2014			2013		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000 Restated	Discontinued operation (note 16) $'000 Restated	Total $'000 Restated
Sales of goods	53,405	–	53,405	34,986	–	34,986
Sales of machinery & accessories	1	–	1	–	–	–
Dividend income	224	–	224	–	–	–
Revenue from piling contracts	32,419	–	32,419	20,004	–	20,004
Revenue from rental of machinery and equipment	326	–	326	881	–	881
Rendering of services	–	–	–	1	–	1
Rental income	1,082	–	1,082	986	–	986
Rental income from investment property	20,882	219	21,101	2,275	54	2,329
	108,339	219	108,558	59,133	54	59,187

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

24 OTHER INCOME

	2014 Continuing operations $'000	2014 Discontinued operation (note 16) $'000	2014 Total $'000	2013 Continuing operations $'000 Restated	2013 Discontinued operation (note 16) $'000 Restated	2013 Total $'000 Restated
Fair value gain in investment properties	51,156	1,190	52,346	23,344	736	24,080
Gain on disposal of property, plant and equipment	511	–	511	1,067	–	1,067
Government grants	434	–	434	70	–	70
Income from forfeiture of deposit received for the proposed disposal of a subsidiary	–	–	–	1,527	–	1,527
Profit on disposal of subsidiary	2,675	–	2,675	–	–	–
Realised gain on financial derivative contract	584	–	584	–	–	–
Gain from change in fair value of financial assets designated at fair value through profit or loss	8	–	8	845	–	845
Negative goodwill arising from acquisition of a subsidiary (note 34)	–	–	–	300	–	300
Profit on disposal of other investments	4	–	4	–	–	–
Rental income on subleased properties	579	–	579	611	–	611
Others	(180)	–	(180)	688	–	688
	55,771	1,190	56,961	28,452	736	29,188

25 OTHER EXPENSES

	2014 Continuing operations $'000	2014 Discontinued operation (note 16) $'000	2014 Total $'000	2013 Continuing operations $'000 Restated	2013 Discontinued operation (note 16) $'000 Restated	2013 Total $'000 Restated
Net impairment loss on:						
– Intangible assets	1,309	–	1,309	1,211	–	1,211
– Other assets	1,930	–	1,930	1,786	–	1,786
– Property, plant and equipment	8,586	–	8,586	6,540	–	6,540
– Trade and other receivables	381	–	381	(10)	–	(10)
– Other investment	427	–	427	–	–	–
Amortisation of intangible assets	159	–	159	324	–	324
Employee benefits under profit-sharing plans	967	–	967	160	–	160
Gain from change in fair value of financial derivatives	–	–	–	(39)	–	(39)
Pre-operating expenses of plastics to fuel project	1,125	–	1,125	1,232	–	1,232
Share-based payment transactions	280	–	280	280	–	280
Others	38	–	38	91	–	91
	15,202	–	15,202	11,575	–	11,575

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

26 FINANCE INCOME AND FINANCE COSTS

	2014			2013		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000 Restated	Discontinued operation (note 16) $'000 Restated	Total $'000 Restated
Interest income:						
– Cash and cash equivalent	225	–	225	20	–	20
Interest expense:						
– Bank overdrafts	(106)	–	(106)	(79)	–	(79)
– Bank loans	(10,118)	(125)	(10,243)	(2,782)	(35)	(2,817)
– Finance leases	(47)	–	(47)	(130)	–	(130)
– Trust receipts	(456)	–	(456)	(87)	–	(87)
– Unsecured notes	(2,550)	–	(2,550)	(531)	–	(531)
– A related corporation	(88)	–	(88)	(88)	–	(88)
– Others	(233)	–	(233)	(292)	–	(292)
Other finance expenses	(54)	–	(54)	(43)	–	(43)
	(13,652)	(125)	(13,777)	(4,032)	(35)	(4,067)
Net finance costs recognised in profit or loss	(13,427)	(125)	(13,552)	(4,012)	(35)	(4,047)

27 INCOME TAX EXPENSE

	Group	
	2014 $'000	2013 $'000 Restated
Current tax expense		
– Current year	565	–
– Under provided in prior years	2	–
	567	–
Deferred tax expense		
Origination and reversal of temporary differences	408	–
Tax expense on continuing operations	975	–
Reconciliation of effective tax rate		
Profit before tax from continuing operations	32,149	5,252
Tax calculated using Singapore tax rate of 17% (2013: 17%)	5,465	893
Income not subject to tax	(9,615)	(3,984)
Expenses not deductible for tax purposes	3,198	–
Deferred tax assets not recognised	1,925	3,091
Under provided in prior years	2	–
	975	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

27 INCOME TAX EXPENSE (CONT'D)

The following temporary differences have not been recognised:

	Group 2014 $'000	Group 2013 $'000
Unutilised tax losses	67,057	55,734

The utilisation of tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items due to the uncertainty of the availability of future taxable profit against which the Group can utilise the benefits.

28 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	2014			2013		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000 Restated	Discontinued operation (note 16) $'000 Restated	Total $'000 Restated
Audit fees paid to auditors of the Company	345	5	350	321	5	326
Non-audit fees paid to auditors of the Company	36	–	36	98	–	98
Allowance for/ (Reversal of) allowance for write-down of inventories	857	–	857	(737)	–	(737)
Contributions to defined contribution plans included in staff costs	490	–	490	360	–	360
Foreign exchange loss/(gain)	310	–	310	(389)	–	(389)
Operating lease expenses (net of amortisation in respect of deferred income amounting to $693,000 (2013: $685,000)	1,881	–	1,881	1,670	–	1,670
Staff costs	8,274	–	8,274	7,624	–	7,624

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

29 EARNINGS PER SHARE

Profit attributable to ordinary shareholders

The calculation of basic and diluted earnings per share at 31 December 2014 was based on profit attributable to ordinary shareholders of $12,909,000 (2013: $5,296,000), and a weighted-average number of ordinary shares outstanding of 1,026,650,000 (2013: 1,000,702,000), calculated as follows:

	2014			2013		
	Continuing operations $'000	Discontinued operation $'000	Total $'000	Continuing operations $'000 Restated	Discontinued operation $'000 Restated	Total $'000 Restated
Profit attributable to ordinary shareholders	12,294	615	12,909	4,920	376	5,296

	Group 2014 '000	Group 2013 '000
Weighted-average number of ordinary shares		
Issued ordinary shares at 1 January	1,026,650	888,968
Effect of shares issued in August 2013	–	111,734
Weighted-average number of ordinary shares during the year	1,026,650	1,000,702

As at 31 December 2014 and 31 December 2013, there are no outstanding warrants.

In 2014 and 2013, diluted earnings per share are the same as basic earnings per share as the Group has no potential dilutive ordinary shares in both years.

30 RELATED PARTIES

Key management personnel compensation

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

Key management personnel compensation comprises remuneration of directors and other key management personnel as follows:

	Group 2014 $'000	Group 2013 $'000
Short-term employee benefits	1,959	2,170
Post employment benefits (including contribution to Central Provident Fund)	92	113
Profit sharing plan payable to the Executive Chairman	967	160
Share-based payments	280	280
Directors fee paid/payable to directors of the Group	216	216

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

30 RELATED PARTIES (CONT'D)

Other transactions with key management personnel

	Group	
	2014	**2013**
	$'000	**$'000**
Investment in a company where a director of the Company has a controlling interest	345	205
Loan from a company where a director of the Company has a controlling interest	13,814	31,854
Fixed rate notes payable to a director of the Company	–	13,500
Fixed rate notes interest payable to a director of the Company	1,148	239

Other related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, the transactions carried out in the normal course of business on terms agreed with related parties are as follows:

	Company	
	2014	**2013**
	$'000	**$'000**
Management fee from subsidiaries	2,182	1,247
Interest income from subsidiaries	285	288
Interest expense paid to subsidiaries	198	58

31 OPERATING SEGMENTS

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Chairman reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Plastics to fuel refining

(b) Recycling and refining of metals

(c) Piling contracts, rental and servicing of machinery, and sale of machinery and spares

(d) Trading of e-waste/metals

(e) Investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Plastics to fuel refining $'000	Recycling and refining of metals $'000	Piling contracts, rental and servicing of machinery, and sale of machinery and spares $'000	Trading of e-waste/ metals $'000	Investment properties $'000	Investment properties (Discontinued operation) $'000	Total $'000
2014							
External revenue	–	37,484	32,746	15,921	20,882	219	107,252
Inter-segment revenue	–	7,697	–	2,454	1,039	–	11,190
Depreciation of property, plant and equipment	(189)	(854)	(2,228)	(18)	(114)	–	(3,403)
Amortisation of intangible assets	(159)	–	–	–	–	–	(159)
Fixed assets written off	–	(34)	–	–	–	–	(34)
Gain on disposal of property, plant and equipment	–	–	511	–	–	–	511
Reportable segment (loss)/ profit before income tax	(11,496)	(12,739)	2,567	8,234	65,045	1,205	52,816
2014							
Other material non-cash items:							
– Allowance for write-down of inventories	–	(722)	–	(135)	–	–	(857)
– Amortisation of deferred income	–	577	–	–	–	–	577
– Impairment on property, plant and equipment	(6,748)	(2,357)	519	–	–	–	(8,586)
– Impairment on intangible assets	(1,309)	–	–	–	–	–	(1,309)
– Impairment on other assets	(1,930)	–	–	–	–	–	(1,930)
– Impairment on other investment	–	(427)	–	–	–	–	(427)
– Impairment losses on trade and other receivables	–	(234)	–	(82)	(65)	–	(381)
– Net changes in fair value of investment properties	–	–	–	–	51,156	1,190	52,346
Reportable segment assets	12,141	7,002	23,905	1,686	557,331	7,041	609,106
Capital expenditure	2	128	805	127	746	–	1,808
Reportable segment liabilities	5,729	19,349	13,560	3,218	439,163	4,217	485,236

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Plastics to fuel refining $'000	Recycling and refining of metals $'000	Piling contracts, rental and servicing of machinery, and sale of machinery and spares $'000	Trading of e-waste/ metals $'000	Investment properties $'000	Investment properties (Discontinued operation) $'000	Total $'000
2013							
External revenue	–	28,973	20,886	6,013	2,275	54	58,201
Inter-segment revenue	–	988	–	607	–	–	1,595
Gain from change in fair value of financial derivatives	–	–	–	–	39	–	39
Depreciation of property, plant and equipment	(276)	(975)	(2,378)	(55)	(1)	–	(3,685)
Amortisation of intangible assets	(324)	–	–	–	–	–	(324)
Gain on disposal of property, plant and equipment	–	4	1,042	21	–	–	1,067
Reportable segment (loss)/ profit before income tax	(11,596)	(3,264)	636	111	25,144	773	11,804
Other material non-cash items:							
– Allowance for write-down of inventories reversed	–	237	–	500	–	–	737
– Amortisation of deferred income	–	569	–	–	–	–	569
– Impairment on property, plant and equipment made	(6,337)	(388)	193	–	(8)	–	(6,540)
– Impairment losses on intangible assets	(1,211)	–	–	–	–	–	(1,211)
– Impairment losses on other assets	(1,786)	–	–	–	–	–	(1,786)
– Net changes in fair value of investment properties	–	–	–	–	23,344	736	24,080
Reportable segment assets	22,614	12,512	27,400	1,035	512,643	6,216	582,420
Capital expenditure	11,651	–	135	71	416	9	12,282
Reportable segment liabilities	5,274	3,013	5,486	521	474,013	5,485	493,792

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31 OPERATING SEGMENTS (CONT'D)

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

	2014 $'000	2013 $'000 Restated
Revenue		
Total revenue for reportable segments	118,442	59,796
Revenue for other segments	1,306	986
Elimination of inter-segment revenue	(11,190)	(1,595)
Elimination of discontinued operations	(219)	(54)
Consolidated revenue	108,339	59,133
Profit before taxation		
Total profit for reportable segments before income tax	52,816	11,804
Elimination of inter-segment profits	126	863
Elimination of discontinued operations	(1,205)	(773)
Unallocated amounts:		
– Other corporate expenses	(19,588)	(6,642)
Consolidated profit before income tax from continuing operations	32,149	5,252

	2014 $'000	2013 $'000
Assets		
Total assets for reportable segments	609,082	582,420
Joint venture	24	–
Other unallocated amounts	21,211	31,628
Consolidated total assets	630,317	614,048
Liabilities		
Total liabilities for reportable segments	481,092	493,792
Other unallocated amounts	43,430	46,724
Consolidated total liabilities	524,522	540,516

NOTES TO
THE FINANCIAL STATEMENTS
Year ended 31 December 2014

31 OPERATING SEGMENTS (CONT'D)

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2014			
Allowance for write-down of inventories	(857)	–	(857)
Amortisation of deferred income	577	116 [a]	693
Fixed assets written off	(34)	(3) [a]	(37)
Amortisation of intangible assets	(159)	–	(159)
Capital expenditure	1,808	527 [a]	2,335
Depreciation of property, plant and equipment	(3,403)	(1,034) [a]	(4,437)
Gain on disposal of property, plant and equipment	511	–	511
Impairment losses on intangible assets	(1,309)	–	(1,309)
Impairment losses on other assets	(1,930)	–	(1,930)
Impairment losses on property, plant and equipment	(8,586)	–	(8,586)
Impairment losses made on other investment	(427)	–	(427)
Fair value gain in investment properties	52,346	–	52,346
Impairment losses on trade and other receivables	(381)	–	(381)

	Reportable segment totals $'000 Restated	Adjustments $'000 Restated	Consolidated totals $'000 Restated
2013			
Reversal of allowance for write-down of inventories	737	–	737
Amortisation of deferred income	569	116 [a]	685
Amortisation of intangible assets	(324)	–	(324)
Capital expenditure	12,282	8,777 [a]	21,059
Depreciation of property, plant and equipment	(3,685)	(979) [a]	(4,664)
Fair value gain in investment properties	24,080	–	24,080
Gain on disposal of property, plant and equipment	1,067	–	1,067
Impairment losses on property, plant and equipment	(6,540)	–	(6,540)
Impairment losses made on intangible assets	(1,211)	–	(1,211)
Impairment losses made on other assets	(1,786)	–	(1,786)

[a] Other unallocated amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31 OPERATING SEGMENTS (CONT'D)

Geographical segments

The Group's five business segments operate in four main geographical areas: Singapore, Hong Kong and China, Europe and Malaysia.

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

	Revenue $'000	Non-current assets $'000
2014		
Singapore	87,403	595,727
Hong Kong and China	19,665	–
Europe	130	1,557
Malaysia	939	–
Other countries	202	–
	108,339	597,284

	Revenue $'000 Restated	Non-current assets $'000
2013		
Singapore	49,860	562,955
Hong Kong and China	5,674	–
Europe	313	12,687
Malaysia	733	–
Other countries	2,553	–
	59,133	575,642

Major customer

Revenues from one customer of the Group's Recycling and refining of metals segments represent approximately 17% of Group's total revenue in 2014 (2013: 37%).

32 FINANCIAL INSTRUMENTS

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Audit Committee oversees management's monitoring of compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the Group's operations and risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

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

The carrying amount of financial assets in the statement of financial position represent the Group and Company's respective maximum exposure to credit risk, before taking into account any collateral held.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The credit quality of customers is assessed after taking into account its financial position and the Group's past experience with the customers.

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

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

Exposure to credit risk

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Contractors	8,742	10,709	–	–
Traders	2,421	1,509	–	–
Manufacturer	30	1	–	–
Tenants	149	132	–	–
Tax authorities	–	9,842	–	–
Others	4,616	3,395	48,520	63,554
	15,958	25,588	48,520	63,554

At the reporting date, there were no significant concentration of credit risk due to the Group's many other varied customers.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses

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

	Gross 2014 $'000	Impairment 2014 $'000	Gross 2013 $'000	Impairment 2013 $'000
Group				
Not past due	15,366	130	18,072	62
Past due 0 – 30 days	360	23	2,702	–
Past due 31 – 120 days	236	–	3,092	–
Past due 121 – 365 days	5,447	5,371	1,788	97
More than one year	547	474	5,543	5,450
	21,956	5,998	31,197	5,609
Company				
Not past due	68,043	19,523	70,489	6,935

The movement in the allowance for impairment in respect of loans and receivables during the year was as follows:

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
At 1 January		5,609	5,565	6,935	6,935
Allowance for/(Reversal of) impairment losses - net	25	381	(10)	12,588	–
Amounts written off		–	48	–	–
Translation difference		8	6	–	–
At 31 December		5,998	5,609	19,523	6,935

The Group and the Company believes that the unimpaired amounts are still collectible in full, based on historic payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions which are regulated. The Group invests its surplus cash only in financial instruments of high credit rating and with pre-approved counterparties of high credit quality.

Liquidity risk

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

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2014, the Group's current liabilities exceeded its current assets by $197,755,000. Such net current assets deficit mainly resulted from the mismatching between maturity of liabilities and realisation of assets within the investment property segment.

The liquidity requirement of the Group could be met by cash inflows from operating activities, other capital raising activities and ad-hoc advances from major shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: 2 to 5 years $'000	Cash flows: More than 5 years $'000
Group					
31 December 2014					
Non-derivative financial liabilities					
Fixed rate notes	30,000	(32,550)	(32,550)	–	–
Fixed interest rate loan	219	(223)	(223)	–	–
Variable interest rate loans	392,448	(442,343)	(154,564)	(158,053)	(129,726)
Finance lease liabilities	776	(810)	(343)	(467)	–
Bank overdrafts	3,202	(3,370)	(3,370)	–	–
Trust receipts	21,083	(21,208)	(21,208)	–	–
Trade and other payables*	69,933	(70,028)	(24,360)	(45,668)	–
	517,661	(570,532)	(236,618)	(204,188)	(129,726)
31 December 2013					
Non-derivative financial liabilities					
Fixed rate notes	30,000	(35,100)	(2,550)	(32,550)	–
Fixed interest rate loan	9,856	(10,061)	(10,061)	–	–
Variable interest rate loans	404,895	(458,150)	(128,950)	(99,822)	(229,378)
Finance lease liabilities	2,381	(2,438)	(2,015)	(423)	–
Bank overdrafts	4,420	(4,420)	(4,420)	–	–
Trust receipts	14,491	(14,603)	(14,603)	–	–
Trade and other payables*	71,406	(71,406)	(39,552)	(31,854)	–
	537,449	(596,178)	(202,151)	(164,649)	(229,378)
Derivative financial liabilities					
Interest rate swaps used for hedging (net-settled)	584	(584)	(584)	–	–
	538,033	(596,762)	(202,735)	(164,649)	(229,378)

* *Excludes deferred income*

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: 2 to 5 years $'000	Cash flows: More than 5 years $'000
Company					
31 December 2014					
Fixed rate notes	30,000	(32,550)	(32,550)	–	–
Trade and other payables	16,342	(16,342)	(16,342)	–	–
Intra-group financial guarantees	–	(302,573)	(168,478)	(129,781)	(4,314)
	46,342	(351,465)	(217,370)	(129,781)	(4,314)
31 December 2013					
Finance lease liabilities	30,000	(35,100)	(2,550)	(32,550)	–
Trade and other payables	10,629	(10,629)	(10,629)	–	–
Intra-group financial guarantees	–	(237,629)	(100,666)	(75,552)	(61,411)
	40,629	(283,358)	(113,845)	(108,102)	(61,411)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. Net settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loan.

Except for these financial liabilities and the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the above analysis based on contractual maturity could occur significantly earlier or at significantly different amounts.

Market risk

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

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit or loss	
	100 bp increase $'000	**100 bp decrease $'000**
Group		
2014		
Variable interest rate loans	(3,924)	3,924
Bank overdrafts	(32)	32
Cash flow sensitivity (net)	(3,956)	3,956
2013		
Variable interest rate loans	(4,049)	4,049
Interest rate swap	6	(6)
Bank overdrafts	(44)	44
Cash flow sensitivity (net)	(4,087)	4,087

Certain loan facility is subject to externally imposed capital requirement where the Company and a subsidiary is required to maintain a net tangible assets above a certain threshold. The Group has complied with these covenants at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, expenses and borrowings, including inter-company sales, purchases and inter-company balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD), United States dollar (USD), the Euro (EUR) and the Thai Baht (THB).

The Group's exposure to foreign currency risk is closely monitored by management on an on-going basis.

The Group's exposures to foreign currencies in Singapore dollar equivalent are as follows:

	SGD $'000	USD $'000	EUR $'000	THB $'000
Group				
2014				
Trade and other receivables	1,135	122	120	–
Other investments	–	–	–	–
Cash and cash equivalents	887	87	–	–
Loans and borrowings	(10,157)	–	–	(78)
Trade and other payables	(1,336)	–	(275)	–
Net statement of financial position exposure	(9,471)	209	(155)	(78)
2013				
Trade and other receivables	5,850	94	499	–
Other investments	–	–	–	1,598
Cash and cash equivalents	711	55	31	78
Loans and borrowings	(629)	–	(1,187)	–
Trade and other payables	(2,305)	(27)	(572)	–
Net statement of financial position exposure	3,627	122	(1,229)	1,676

	USD $'000	THB $'000
Company		
2014		
Trade and other receivables	–	–
Other investments	–	81
Trade and other payables	–	–
Net statement of financial position exposure	–	81
2013		
Trade and other receivables	10	–
Other investments	–	1,598
Trade and other payables	(26)	–
Net statement of financial position exposure	(16)	1,598

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis

A 10% strengthening of the Singapore dollar, as indicated below, against the USD, EUR and THB at 31 December would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores and impact of forecasted sales and purchases. The analysis is performed on the same basis for 2013.

	Profit/(Loss) before tax	
	Group $'000	**Company $'000**
31 December 2014		
SGD	(947)	–
USD	(21)	–
EUR	16	–
THB	(8)	(8)
31 December 2013		
SGD	363	–
USD	(12)	2
EUR	123	–
THB	(168)	(160)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Equity price risk

Equity price risk arises from available-for-sale securities held for earning long-term income as well as investments at fair value through profit or loss. Management of the Group monitors the equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Company's Board of Directors.

The primary goal of the Group's investment strategy is to maximise long-term profits for the Group. In accordance with this strategy, certain equity investments are designated at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis, while the remaining investments are classified as available-for-sale because the Group intends to hold those investments over longer period to earn income in the form of dividends.

Sensitivity analysis

For available-for-sale financial instruments, no sensitivity analysis is available as they are unquoted securities. For investments classified at fair value through profit or loss, a 10% increase (decrease) in equity prices at the reporting date would have increased (decreased) profit or loss by $202,000 in 2013.

NOTES TO
THE FINANCIAL STATEMENTS
Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position are as follows. Financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair value due to their short-term nature and where the effect of discounting is immaterial.

	Carrying amount					Fair value			
	Financial assets available for sale $'000	Financial assets designated at fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
31 December 2014									
Financial assets not measured at fair value									
Cash and cash equivalents	–	–	4,034	–	4,034				
Other investments	5,512	–	–	–	5,512				
Loans and receivables	–	–	15,958	–	15,958				
	5,512	–	19,992	–	25,504				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(447,728)	(447,728)	–	(447,767)	–	(447,767)
Trade and other payables^	–	–	–	(69,933)	(69,933)				
	–	–	–	(517,661)	(517,661)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount					Fair value			
	Financial assets available for sale $'000	Financial assets designated at fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
31 December 2013									
Financial assets not measured at fair value									
Cash and cash equivalents	–	–	3,212	–	3,212				
Other investments	5,167	–	–	–	5,167				
Loans and receivables	–	–	25,588	–	25,588				
	5,167	–	28,800	–	33,967				
Financial assets measured at fair value									
Equity securities designated at fair value through profit or loss	–	2,022	–	–	2,022	426	1,596	–	2,022
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(466,043)	(466,043)	–	(467,443)	–	(467,443)
Trade and other payables^	–	–	–	(71,406)	(71,406)				
	–	–	–	(537,449)	(537,449)				
Financial liabilities measured at fair value									
Interest rate swaps	–	–	–	(584)	(584)				

^ Excludes deferred income

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount					Fair value			
	Financial assets available for sale $'000	Financial assets designated at fair value through profit or loss $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company									
31 December 2014									
Financial assets not measured at fair value									
Cash and cash equivalents	–	–	391	–	391				
Other investments	5,512	–	–	–	5,512				
Loans and receivables	–	–	48,520	–	48,520				
	5,512	–	48,911	–	54,423				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(30,000)	(30,000)	–	(30,000)	–	(30,000)
Trade and other payables	–	–	–	(16,342)	(16,342)				
	–	–	–	(46,342)	(46,342)				
31 December 2013									
Financial assets not measured at fair value									
Cash and cash equivalents	–	–	831	–	831				
Other investments	5,167	–	–	–	5,167				
Loans and receivables	–	–	63,554	–	63,554				
	5,167	–	64,385	–	69,552				
Financial assets measured at fair value									
Other investments	–	1,596	–	–	1,596	–	1,596	–	1,596
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	(30,000)	(30,000)	–	(30,000)	–	(30,000)
Trade and other payables	–	–	–	(10,629)	(10,629)				
	–	–	–	(40,629)	(40,629)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

32 FINANCIAL INSTRUMENTS (CONT'D)

Interest rates used in determining fair values

The interest rates used are as follows:

	Group	
	2014	2013
	%	%
Finance leases	3.01	2.45

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

33 MEASUREMENT OF FAIR VALUES

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

Investment properties

External, independent valuation companies ECG Consultancy Pte Ltd, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's strata units at 63 Hillview Avenue, Singapore 669569 and the commercial property at 1 Selegie Road, Singapore 188306, respectively. The fair values are based on market values (i.e. market comparison approach), being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Such valuation is based on price per square metre for the buildings derived from observable market data from an active and transparent market.

Cranes and piling plant and machinery

External, independent valuation company, Hilco Appraisal Singapore Pte Ltd, having appropriate recognised professional qualifications and recent experience in the type of plant and machinery being valued, value the Group's certain units of cranes and piling plant and machinery. The fair values are based on market values (i.e. market comparison approach), being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Such valuation is based on transaction price of similar plant and machinery from observable market data.

Investments in equity securities

The fair value of investments in equity securities is determined by reference to their quoted closing bid prices at the measurement date.

Derivatives

The fair value of forward commodity contracts is based on their quoted market prices.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

33 MEASUREMENT OF FAIR VALUES (CONT'D)

Non-derivative financial liabilities

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

Financial guarantees

The value of financial guarantees provided by the Company to its subsidiaries and third party is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available. Management of the Group has determined the differentials and estimated the fair values of the financial guarantees and noted that they were not material at year-end.

Other financial assets and liabilities

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

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in note 32.

The table below analyses non-financial assets carried at fair value. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2014				
Investment properties	–	–	551,900	551,900
Disposal group held for sale	–	–	2,824	2,824
31 December 2013				
Investment properties	–	–	506,000	506,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

33 MEASUREMENT OF FAIR VALUES (CONT'D)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair values measurements.

	Investment properties $'000	Disposal group held for sale $'000
Group		
Balance at 1 January 2013	–	–
Acquisitions	481,920	–
Gains for the period:		
Changes in fair value – Other income – Unrealised	24,080	–
Balance at 31 December 2013	506,000	–
Acquisitions	554	–
Gains for the period:		
Changes in fair value – Other income – Unrealised	52,346	–
Classified to asset held for sale (note 6)	(7,000)	7,000
Classified from trade and other receivables (note 16)	–	41
Classified from loans and borrowings (note 16)	–	(4,144)
Classified from trade and other payables (note 16)	–	(73)
Balance at 31 December 2014	551,900	2,824

Significant unobservable inputs

Investment property prices per square foot are derived from specialised publications and government database from the related markets and comparable transactions.

Significant unobservable inputs include premium (discount) on the quality of the building and lease terms and size discount for strata units. The estimated fair value would increase if:

- prices per square foot were higher;
- premium/(discount) for higher/(lower) quality building and lease term were higher;
- size discount for strata units were lower.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

34 ACQUISITION OF SUBSIDIARY

On 18 October 2013, the Group completed its acquisition of 100% shares in F2S1 Investment Pte Ltd (F2S1), a company that holds investment property and derives rental income from the property.

The acquisition is in line with the Group's strategic plans to expand its core businesses to include the Property Business and will give the Group further exposure to the property sector. The Property Business is expected to provide better prospects of profitability and ensure long term growth for the Group.

In the two months to 31 December 2013, F2S1 contributed revenue of $1,155,000 and profit of $379,000 to the Group's results. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue would have been $64,075,000 and consolidated profit for the year would have been $54,210,000, which includes a fair value gain on its investment property of $50,300,000.

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Consideration transferred	**2013 $'000**
Cash	164,734
Less:	
– Bank loans incurred to finance the purchase	(101,000)
– Net consideration payable to vendor as at year end	(11,235)
– Cash acquired	(2,109)
Cash outflows in statement of cash flows	50,390

Identifiable assets acquired and liabilities assumed

	Note	**2013 $'000**
Property, plant and equipment	4	9
Investment property	6	336,000
Trade and other receivables		1,217
Cash and cash equivalents		2,109
Financial liabilities		(165,459)
Trade and other payables		(8,219)
Derivatives		(623)
Total identifiable net assets		165,034

Negative goodwill

Negative goodwill was recognised in other income as a result of the acquisition as follows:

	2013 $'000
Total consideration transferred	(164,734)
Fair value of identifiable net assets	165,034
	300

Acquisition-related costs

The Group incurred acquisition-related costs of $171,000 related to external legal fees and due diligence costs. These costs have been included in administrative expenses in the Group's statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

35 COMMITMENTS

		Group	
		2014 $'000	2013 $'000
(a)	Capital commitments not provided for in the financial statements (excluding commitments disclosed in note 36(ii)):		
	– contracted but not provided for	345	1,143
(b)	Non-cancellable operating leases payable:		
	– Within 1 year	2,036	1,942
	– After 1 year but within 5 years	2,875	4,791
		4,911	6,733
(c)	Non-cancellable operating lease rentals receivable:		
	– Within 1 year	17,131	17,188
	– After 1 year but within 5 years	31,357	41,065
	– After 5 years	–	7,631
		48,488	65,884

The Group leases a number of office and warehouse premises under operating leases. The operating leases arose from the sale and leaseback transaction as noted in note 22. The leases run for an initial period of ten years, with an option to renew leases after that date.

The lease payments are subject to annual revisions based on the market rates at the respective revision dates.

36 CONTINGENT LIABILITIES

(i) The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to $481,079,000 (2013: $276,292,000), of which the amount utilised at 31 December 2014 was $302,573,000 (2013: $237,629,000). The periods in which the financial guarantees will expire are as follows:

	2014 $'000	2013 $'000
Within 1 year	168,478	100,666
After 1 year but within 5 years	129,781	75,552
After 5 years	4,314	61,411
	302,573	237,629

(ii) In 2012, the Company formed a joint-venture company with BS Capital Pte Ltd (BS Capital), a related party that a director of the Company has controlling interest in, to undertake a Property Development Project. According to the Shareholders Agreement (SA), the Company and BS Capital hold 12.5% and 87.5% interest, respectively, in an intermediate holding company – Carros Project Management Pte Ltd (Carros), formerly known as Lam Huat Development Pte Ltd., which will contribute 80% of capital of the project. The remaining 20% of capital of the project will be contributed by other parties.

The Group has contributed $125 in capital to the joint-venture. According to the terms of the SA, the Company is committed to providing $8 million in shareholder's interest free loan to Carros. As at 31 December 2014, loan disbursed to Carros amounted to $5.51 million (2013: $5.17 million), which is recorded under as "Other investments" and is classified as financial assets available for sale. In addition, the Company agrees to provide an indemnity to BS Capital for an amount of $45.94 million in relation to BS Capital's $367.52 million corporate guarantee provided to bankers for loan to the Property Development Project. The amount represents the Group's 12.5% share of the total corporate guarantee of BS Capital.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

37 SUBSEQUENT EVENTS

On 18 March 2015, the Group entered into a Memorandum of Understanding (MOU) with BS Capital Pte Ltd (BS Capital) in relation to the proposed acquisitions of 87.5% shares in Carros Project Management Pte Ltd, a company principally engaged in the business of property development, property investment and other investment holding, and 49.0% of shares in the Group's subsidiary, EH Property & Investments Pte Ltd. The Group and BS Capital have further undertaken in the MOU to procure the signing of certain sale and purchase agreements which are necessary to give effect to the other transactions and acquisitions contemplated in the MOU (collectively the Proposed Acquisitions). The consideration for the Proposed Acquisitions shall be wholly satisfied through the issuance of ordinary shares in the capital of the Company. The Proposed Acquisitions are expected to be completed by September 2015.

In connection with the Proposed Acquisitions, the Group also intends to undertake a fund raising exercise by an issue of new ordinary shares in the Company, convertible loan securities and/or other capital market instruments to meet the Group's cash flows requirements and future developments or expansion plans.

STATISTICS OF SHAREHOLDINGS

As At 23 March 2015

Issued and Fully Paid-Up Capital	:	S$95,888,463
Number of Share Issued	:	1,026,650,198
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per ordinary share

The Company has no treasury shares as at 23 March 2015.

DISTRIBUTION OF SHAREHOLDINGS

Size Of Shareholdings	No. Of Shareholders	%	No. Of Shares	%
1 – 99	67	3.64	1,044	0.00
100 – 1,000	79	4.29	60,461	0.01
1,001 – 10,000	520	28.23	3,168,319	0.31
10,001 – 1,000,000	1,119	60.75	120,961,773	11.78
1,000,001 and above	57	3.09	902,458,601	87.90
TOTAL	1,842	100.00	1,026,650,198	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares	%
1	Hong Leong Finance Nominees Pte Ltd	200,000,000	19.48
2	Bank of Singapore Nominees Pte. Ltd.	189,813,994	18.49
3	Seow Bao Shuen	82,838,025	8.07
4	Citibank Nominees Singapore Pte Ltd	57,273,330	5.58
5	Huang Yuzhu	45,500,000	4.43
6	Su Ming Tong	42,543,076	4.14
7	Ung Yoke Hooi	35,960,000	3.50
8	Chew Ghim Bok	32,238,333	3.14
9	Tan Tai Kim	22,670,000	2.21
10	Ng Ah Hua	21,739,580	2.12
11	United Overseas Bank Nominees (Private) Limited	14,810,755	1.44
12	Phillip Securities Pte Ltd	13,351,999	1.30
13	Maybank Kim Eng Securities Pte. Ltd.	12,575,666	1.22
14	Low Chin Kwee	11,912,000	1.16
15	UOB Kay Hian Private Limited	9,623,998	0.94
16	Ong Chee Kang	8,195,625	0.80
17	Low Hwee Theng	7,987,000	0.78
18	Chen Ho-Ching	7,281,554	0.71
19	Ng Sok Eng	5,480,000	0.53
20	Tam Chee Chong	5,455,000	0.53
	TOTAL	827,249,935	80.57

STATISTICS OF SHAREHOLDINGS

As At 23 March 2015

SUBSTANTIAL SHAREHOLDERS AS AT 23 MARCH 2015

(As shown in the Company's Register of Substantial Shareholders)

Name	No. of shares registered in the name of the substantial shareholers	No. of shares held by the substantial shareholders in the name of nominees	No. of shares in which substantial shareholders are deemed to be interested	Total Number of Shares	% of Issued Shares
Ng Ah Hua	21,739,580	374,778,440 [1]	5,480,000	401,998,020	39.15
Seow Bao Shuen	82,838,025	65,000,000 [2]	–	147,838,025	14.40
Su Ming Tong	42,543,076	11,851,333 [3]	2,201,000	56,595,409	5.51

Notes:

(1) This represents Mr Ng Ah Hua's direct interests of:-
a. 174,778,440 shares held in the name of Bank of Singapore Nominees Pte Ltd,
b. 200,000,000 shares held in the name of Hong Leong Finance Nominees Pte Ltd.

(2) This represents Ms Seow Bao Shuen's direct interest of :-
a. 15,000,000 shares held in the name of Bank of Singapore Nominees Pte Ltd,
b. 50,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd,

(3) This represents Mr Su Ming Tong's direct interest of:-
a. 9,298,000 shares held in the name of Philip Securities Pte Ltd,
b. 2,553,333 shares held in the name of UOB Kay Hian Pte Ltd.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information provided to the Company as at 23 March 2015, approximately 40.13% of the total number of issued shares of the Company is held by the public. Accordingly, the Company has compiled with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Enviro-Hub Holdings Ltd (the "Company") will be held at 3 Tuas Avenue 2, Singapore 639443 on Tuesday, 28 April 2015 at 10.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

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

2 To approve the payment of Directors' fees for the financial year ending 31 December 2015 comprising:

(i) S$216,000 to be paid in cash, payable quarterly in arrears (2014: S$216,000); and **(Resolution 2A)**
(ii) the award of an aggregate number of 2,200,000 ordinary shares in the capital of the Company under the Enviro-Hub Share Award Scheme as part of their respective remuneration for the financial year ending 31 December 2015, as follows (2014: Nil):

(a) 550,000 ordinary shares to Mr Tan Kok Hiang;
(b) 550,000 ordinary shares to Mr Tan Gim Soo;
(c) 550,000 ordinary shares to Mr Poon Hon Thang, Samuel; and
(d) 550,000 ordinary shares to Mr Lai Huen Poh.

(Resolution 2B)

3(a) To re-elect Mr Poon Hon Thang, Samuel who retires pursuant to Article 107 of the Company's Articles of Association. **(Resolution 3)**

Mr Poon Hon Thang, Samuel will, upon re-appointment as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3(b) To re-appoint Mr Tan Gim Soo pursuant to Section 153(6) of the Companies Act, Cap 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company **(Resolution 4)**

Mr Tan Gim Soo will, upon re-appointment as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

[See Explanatory Notes]

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

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

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares**

"That, pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors to:-

(A) (i) issue shares in the capital of 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) warrants, debentures or other instruments convertible into shares,

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

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

NOTICE OF ANNUAL GENERAL MEETING

provided that:

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

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

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

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and

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

(c) 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 for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force (i) 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 the earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 6)**

7. **Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given for the renewal of the general mandate for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the Company and its subsidiaries, and their associated companies, or any of them, to enter into any of the transactions falling within the types of "interested person transactions", particulars of which are set out in the Company's circular to shareholders dated 13 April 2015 ("**Circular**"), with any party who is of the class or classes of "interested persons" described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the guidelines and procedures for review and administration of "interested person transactions" as described in the Circular and will not be prejudicial to the interests of the Company and its minority shareholders; and

(b) the approval given in paragraph (a) above ("**IPT Mandate**") shall, unless revoked or varied by the Company in a general meeting of the Company, continue in force until the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

(c) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary for the IPT Mandate to take into consideration any amendment to Chapter 9 of the SGX-ST Listing Manual which may be prescribed by the SGX-ST from time to time, and such other applicable laws and rules; and

(d) the Directors and any of them be and are hereby authorised and empowered to approve and complete and do all such acts and things (including to approve, modify, ratify, sign, seal, execute and deliver all such documents as may be required) as he or they may consider expedient, desirable or necessary or in the interests of the Company to give effect to the IPT Mandate and this resolution and the transactions contemplated and/or authorised by the IPT Mandate and this resolution. **(Resolution 7)**

NOTICE OF
ANNUAL GENERAL MEETING

8. **Proposed Renewal of the Shares Purchase Mandate**

That:

(a) pursuant to Article 52(2) and for the purposes of the Companies Act (Chapter 50) of Singapore, the Directors of the Company be and are hereby authorised generally and unconditionally to make purchases of ordinary shares in the share capital of the Company ("**Shares**") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent. (10%) of the issued Shares (ascertained as at the date of the passing of this resolution, but excluding any Shares held as treasury Shares) at the price of up to but not exceeding the Maximum Price (as defined below), in accordance with the guidelines described in the Circular, including the "Guidelines on Shares Purchases" set out in Appendix I of the Circular, and otherwise in accordance with all other laws and regulations, and the rules of the SGX-ST ("**Shares Purchase Mandate**"); and

(b) the Shares Purchase Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the earlier of:-

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated; and

(c) in this Ordinary Resolution 8, "**Maximum Price**" means:

(i) in the case of a market purchase of Shares on the SGX-ST transacted through the SGX-ST's trading system or on another stock exchange on which the Company's equity securities are listed, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an off-market purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act (Chapter 50) of Singapore, one hundred and twenty per cent. (120%) of the Highest Last Dealt Price,

in either case, excluding related expenses of the Shares purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded preceding the day of the market purchase (which is deemed to be adjusted for any corporate action that occurs after the relevant 5-day period);

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the off-market purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) the Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the Shares Purchase Mandate and this resolution, and the transactions contemplated and/or authorised by the Shares Purchase Mandate and this resolution. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to Offer and Grant Awards and to Allot and Issue Shares under the Enviro-Hub Share Award Scheme**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorized to offer and grant awards ("**Awards**") in accordance with the provisions of the "Enviro-Hub Share Award Scheme" ("**Scheme**") and (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new ordinary shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of the Awards under the Scheme provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the Scheme, when added to the number of new Shares issued and issuable and the number of treasury Shares delivered in respect of all other share schemes or share plans of the Company (if any), shall not exceed fifteen per cent. (15%) of the total issued share capital of the Company (excluding treasury Shares) from time to time, and provided also that, subject to such adjustments as may be made to the Scheme as a result of any variation in the capital structure of the Company, and that such authority shall, unless revoked or varied by the Company in a general meeting, 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 the earlier. **(Resolution 9)**

By Order of the Board

Joanna Lim Lan Sim
Company Secretary
13 April 2015

Explanatory Notes

Resolution 2B

Subject to the approval of Ordinary Resolution 2B proposed in item 2(ii) above and the Rules of the Enviro-Hub Share Award Scheme (including, but not limited to Rule 9 (Adjustment Events)), share awards will be granted to the relevant directors of the Company as part of their Directors' fees which will consist of the grant of fully-paid shares under the Enviro-Hub Share Award Scheme with no performance and vesting conditions attached. The award of shares to non-executive directors is intended to attract capable individuals to the Board, as well as retain and motivate them in their roles as non-executive directors. It also aligns their interest to those of the shareholders and recognizes individual contributions. The relevant directors and their respective associates will abstain from exercising any voting rights on Ordinary Resolution 2B proposed in item 2(ii) above. The Company will announce details of the share awards in accordance with Rule 704(29) of the Listing Manual of the SGX-ST on the date of grant in due course.

Resolutions 3 and 4

In relation to Ordinary Resolutions 3 and 4 proposed in items 3(a) and 3(b) above, the detailed information on Messrs Poon Hon Thang, Samuel and Mr Tan Gim Soo are set out in the section entitled "Board of Directors" and Table 3 in the Corporate Governance Report of the Company's 2014 Annual Report.

Mr Poon Hon Thang, Samuel and/or his associates has entered into lease agreements for the rental of a few commercial units from the Group at arms-length rental rates.

There are no relationships (including immediate family relationships) between Mr Tan Gim Soo, and the other directors of the Company.

NOTICE OF
ANNUAL GENERAL MEETING

Statement pursuant to Article 61(3) of the Company's Articles of Association

The effect of the resolutions under the heading "Special Business" in the Notice of the Annual General Meeting are:-

1. The **Ordinary Resolution 6** proposed in item 6 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may issue under this Resolution would not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company at the time of the passing of this Resolution. For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time that Ordinary Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

2. The **Ordinary Resolution 7** proposed in item 7 above, if passed, will authorise the types of "interested person transactions" as described in the Company's circular to shareholders dated 13 April 2015 and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate (as defined in Resolution 7 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier. Details of the IPT Mandate are set out in the Company's circular to shareholders dated 13 April 2015.

3. The **Ordinary Resolution 8** proposed in item 8 above, if passed, will authorise the Directors of the Company to make on-market and off-market purchases or acquisitions of ordinary shares in the share capital of the Company ("**Shares**") of up to 10 per cent. (10%) of the issued Shares excluding treasury Shares (ascertained as at the date of the passing of Resolution 8 above) at such price(s) up to the Maximum Price (as defined in Resolution 8 above) and will empower the Directors of the Company to do all acts necessary to give effect to the Shares Purchase Mandate (as defined in Resolution 8 above). This authority will, unless revoked or varied by the Company at a general meeting, expire on the date on which the next annual general meeting of the Company is held, or the day by which the next annual general meeting of the Company is required by law to be held, or the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated, whichever is the earlier. Detailed information on the Shares Purchase Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position, is set out in the Company's circular to shareholders dated 13 April 2015.

4. The **Ordinary Resolution 9** proposed in item 9 above, if passed, will authorise the Directors of the Company to offer and grant awards and to allot and issue new ordinary shares in the capital of the Company ("**Shares**") pursuant to the "Enviro-Hub Share Award Scheme" ("**Scheme**"), the details of the Scheme and a summary of the rules of which are set out in the Company's circular to shareholders dated 31 October 2012, provided always that the aggregate number of Shares (comprising new Shares and/or treasury Shares) to be delivered pursuant to the Scheme, when added to the number of new Shares issued and issuable and the number of treasury Shares delivered in respect of all other share schemes or share plans of the Company (if any), shall not exceed fifteen per cent. (15%) of the total issued share capital of the Company (excluding treasury Shares) from time to time. This authority shall, unless revoked or varied by the Company in a general meeting, 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 the earlier.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT: PLEASE READ NOTES BELOW.

Notes:

(1) A member of the Company (other than a depository agent) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Subject to the Articles of Association of the Company, a member of the Company who is a depository agent entitled to attend and vote is entitled to appoint any sub-account holder who maintains an account with such depository agent to attend and vote in his stead.

(2) A proxy need not be a member of the Company.

(3) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(4) The instrument appointing a proxy must be deposited at the registered office of the Company at 3 Tuas Avenue 2, Singapore 639443 not later than 48 hours before the time appointed for the Meeting.

(5) **Personal data privacy:**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the personal data of the member 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 proxy(ies) and/or representative(s) of the member 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 breach of warranty of the member.

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ENVIRO-HUB HOLDINGS LTD.
(Company Registration No. 199802709E)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy Enviro-Hub Holdings Ltd.'s shares, this Annual Report 2014 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

*I / We, ______________________ NRIC/Passport no. ______________________

of ____

being *a member/members of Enviro-Hub Holdings Ltd. (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding(s) (%)

and/or (delete as appropriate)

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Seventeenth Annual General Meeting ("AGM") of the Company to be held at 3 Tuas Avenue 2, Singapore 639443 on Tuesday, 28 April 2015 at 10.30 a.m. and at any adjournment thereof. The *proxy is/proxies are to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the Meeting:-

No.	Ordinary Resolutions	For	Against
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.		
2A	To approve Directors' fees of S$216,000 for the financial year ending 31 December 2015, payable quarterly in arrears. (2014:S$ 216,000)		
2B	To approve the grant of an aggregate of 2,200,000 fully-paid ordinary shares under the Enviro-Hub Share Award Scheme to the non-executive directors as part of their respective remuneration for the financial year ending 31 December 2015. (2014 : Nil)		
3	To re-elect Mr Poon Hon Thang, Samuel (Retiring under Article 107)		
4	To re-appoint of Mr Tan Gim Soo under Section 153(6) of the Companies Act, Cap 50.		
5	To appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
6	To authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50		
7	To approve the renewal of the Shareholders' General Mandate for Interested Person Transactions.		
8	To approve the renewal of the Shares Purchase Mandate.		
9	To authorise the Directors to offer and grant awards and to allot and issue shares under the Enviro-Hub Share Award Scheme.		

Please indicate with a tick [√] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.

Dated this ______________ day of ______________ 2015

Total Number of Shares Held

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

** Delete where applicable*

Notes:-

1. A member of the Company (other than a depository agent) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Subject to the Articles of Association of the Company, a member of the Company who is a depository agent entitled to attend and vote is entitled to appoint any sub-account holder who maintains an account with such depository agent to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 3 Tuas Avenue 2, Singapore 639443 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the personal data of the member 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 proxy(ies) and/or representative(s) of the member 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 breach of warranty of the member.

FOLD ALONG THIS LINE

Affix
Postage
Stamp
Here

THE COMPANY SECRETARY
ENVIRO-HUB HOLDINGS LTD
3 TUAS AVENUE 2
SINGAPORE 639443

FOLD ALONG THIS LINE

ENVIRO-HUB HOLDINGS LTD
Company Registration No. 199802709E

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