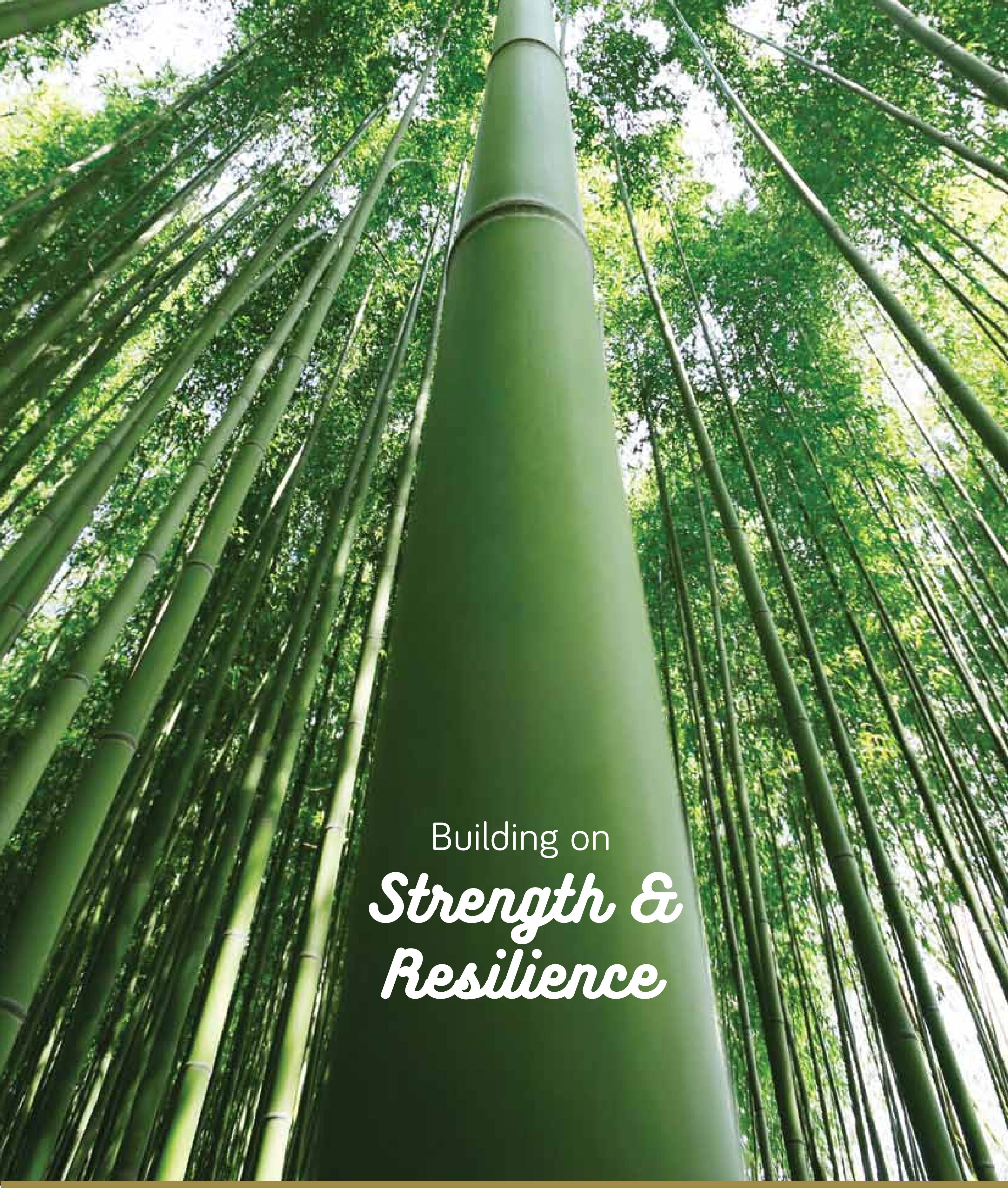

Building on Strength & Resilience

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

Annual Report 2015

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

INDEPENDENT DIRECTORS

Mr Samuel Poon Hon Thang (Lead)
Mr Tan Kok Hiang

NON-EXECUTIVE DIRECTOR

Mr Lai Huen Poh

AUDIT COMMITTEE

Mr Tan Kok Hiang (Chairman)
Mr Samuel Poon Hon Thang
Mr Lai Huen Poh

NOMINATING COMMITTEE

Mr Samuel Poon Hon Thang (Chairman)
Mr Tan Kok Hiang
Mr Raymond Ng Ah Hua

REMUNERATING COMMITTEE

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

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ENVIRO-HUB'S BUSINESSES INCLUDE:-

1. PROPERTY DEVELOPMENT AND INVESTMENT
2. TOTAL WEEE (WASTE ELECTRICAL ELECTRONIC EQUIPMENT) SOLUTIONS
3. RECOVERY AND REFINING OF PLATINUM GROUP METALS
4. RECYCLING OF FERROUS AND NON-FERROUS METALS
5. PILING AND BUILDING CONSTRUCTION
6. RECYCLING OF PLASTICS AND CONVERSION OF WASTE PLASTICS TO FUEL

Enviro-Hub Holdings Ltd ("Enviro-Hub") is a Singapore-listed organisation with a diverse portfolio that includes property development and investment, e-waste management solutions, recovery and refining of platinum group metals, recycling of metals, piling and building construction, as well as plastics to fuel conversion.

The Group is governed by the Board of Directors under the Chairmanship of Mr Raymond Ng, who has more than 15 years experience in the real estate arena and over 30 years of experience in the recycling industry. His knowledge and expertise has guided Enviro-Hub to identify and seize business opportunities to produce multiple streams of revenue growth.

In the building and construction sector, Enviro-Hub has successfully built a solid reputation by leveraging on our respective subsidiaries' and associates' capabilities, to contribute to the transformation of Singapore's dynamic cityscape.

Driven by a proficient and committed management team, Enviro-Hub has continually paved the way forward to grow from strength to strength. We are not simply about building structures but enhancing the way we live. In line with this, we also have businesses that focus on sustainable living. This includes the provision of total WEEE (waste electrical electronic equipment) solutions, recovery and refining of platinum group metals, recycling of ferrous and non-ferrous metals, as well as recycling of plastics and conversion of waste plastics to fuel. These are part of our efforts to create a sustainable future and reinforce our brand presence around the globe.

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 commitment to innovation and excellence.

Enviro-Hub has also 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.

Our success is supported by our dedicated staff and management team, working closely together with our business partners and customers to deliver quality and reliable solutions across the world. In our pursuit of greater progress, we will always work with integrity to uphold the highest standards, and strive to generate continuous growth for our stakeholders.

Group Structure

ENVIRO-HUB HOLDINGS LTD

- 51% EH Property & Investments Pte Ltd
  - 100% QF Properties Pte Ltd
    - 100% QF 1 Pte Ltd
    - 100% QF 3 Pte Ltd
    - 100% QF 4 Pte Ltd
    - 100% QF 7 Pte Ltd
    - 100% QF 8 Pte Ltd
    - 100% QF 9 Pte Ltd
  - 100% F2S1 Investment Pte Ltd
  - 100% EH Property Management Pte Ltd
- 100% Enviro Investments Pte Ltd
- 100% Cimelia Resource Recovery Pte Ltd
- 80.25% HLS Electronics Pte Ltd
- 100% Enviro-Metals Pte Ltd
- 99.99% ReEnviro (Thailand) Co. Ltd
- 100% Leong Hin Piling (Pte.) Limited
  - 100% Leong Hin Builders Pte Ltd
- 39% Enviro-Power Pte Ltd
  - 100% Enviro-Property Pte Ltd
  - 100% Enviro Restorer S R L
  - 100% Enviro Restorer (Como) S R L
  - 50% Plastic to Fuel S R L

Chairman's Statement

" This year, we recorded an increase in revenue by $5.8 million, an improvement of 5% from $108.3 million in FY2014 to $114.1 million in FY2015. "

– MR RAYMOND NG AH HUA –
Executive Chairman

DEAR SHAREHOLDERS,

I am pleased to report that Enviro-Hub remained resilient to deliver steadfast results in FY2015. This year, we recorded an increase in revenue by $5.8 million, an improvement of 5% from $108.3 million in FY2014 to $114.1 million in FY2015. This was attributed to our recycling and construction businesses; first year contribution from the joint operation with SB Procurement Pte Ltd, which is expected to continue contributing positively to the Group's performance in the forthcoming financial year.

The Group's Investment Properties Division that was set up in FY2013 has maintained positive growth and contributed to our bottom line in FY2015. This division contributed a segmental profit of approximately $20.2 million before tax and finance costs, and a segmental profit of $9.7 million after tax and finance costs.

Even as the Group's recycling business endured challenges in FY2014, we never wavered in our commitment to deliver excellence in every aspect of our operations. Our efforts were rewarded and I am glad to announce that our recycling segment saw a successful turnaround from a negative position in FY2014 to secure a profit in FY2015. This was generated from the combined effort of the Group's subsidiaries, Cimelia Resource Recovery Pte Ltd ("Cimelia") and HLS Electronics Pte Ltd ("HLS").

We incurred a loss of $9.6 million this financial year mainly due to the full impairment of the Group's plastic to fuel ("PTF") refining related assets, which amounted to approximately $11.1 million. The commencement of PTF refining on a mass production scale is expected to be delayed as a result of the slump in oil prices and instability of the global economy.

With reference to the announcements made via SGXNet on 18 March, 22 July and 22 September in 2015, Enviro-Hub announced on 3 November 2015 that the conditions precedent under the Acquisition Sales & Purchase Agreements ("SPAs") had not been fulfilled as at 31 October 2015 ("Long-Stop Date"). The vendors have informed the Company that the Long-Stop Date will not be extended, and accordingly, the Acquisition SPAs would be terminated with effect from the Long-Stop Date. The mutual release and discharge of the respective parties' obligations in accordance with the terms and conditions of the Acquisition SPAs apply.

Following this, the Group announced that after considering the termination of the Proposed Acquisitions, the Company will be re-appraising the necessity of carrying out the Proposed Share Consolidation. We are still considering various alternative options available to the Company that will be most beneficial for shareholders.

On behalf of the Board of Directors, I would like to express my appreciation to all stakeholders for your continued support. Thank you for being part of our ongoing journey towards greater excellence. To our trusted Board of Directors, I am always grateful for your counsel and leadership. I look forward to working closely with you to propel Enviro-Hub further. I would like to convey my appreciation to Ms Judy Ang, who has decided to move on to other endeavours. Ms Ang joined Enviro-Hub as an Executive Director, and I wish her all the best ahead. I also had the opportunity to work with Mr Tan Gim Soo during his tenure with us. Mr Tan stepped down from his position as an Independent Director at Enviro-Hub, and I would like to thank him for his remarkable contributions throughout this time. To the management and staff, thank you for your hard work and teamwork. I appreciate every effort that you put into driving Enviro-Hub's growth. As we move forward, let us continue to leverage on our cohesive strengths to stay resilient and build a brighter future.

Board of Directors

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 accumulated over 30 years of experience in the recycling and e-waste management and recovery business. He is also an accomplished property developer with more than 15 years of industry experience.

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

Independent 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 SAMUEL POON HON THANG

Lead Independent Director

Mr Poon joined the board on 26 September 2006 and was last re-elected as Director of the Company on 28 April 2015. He is also the Chairman of Nominating Committee and a member of the Audit and Remuneration Committees. He was further appointed as Lead Independent Director on 25 February 2016. 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 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 Audit and Remuneration Committees.

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 Ltd and several other companies.

Key Executives

MS TAN LAY MAI

Chief Financial Officer
Director

– HLS Electronics Pte Ltd
– F2S1 Investment Pte Ltd
– EH Property & Investments Pte Ltd
– Enviro Property Pte Ltd
– Enviro-Power Pte Ltd
– Enviro Restorer (Como) SRL
– Enviro Restorer SRL

Ms Tan Lay Mai 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), a member of the Institute of Singapore Chartered Accountants (ISCA) and a 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 specialises 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
- 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 and QF 9 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 and 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 ("Cimelia") as a Senior Sales & Marketing Manager in 2011 and was appointed as Director on 19 November 2013. Mr Ng plays an integral role in the daily management of Cimelia, such as strategic planning, operations, international business relations and marketing events.

Graduated with a BSc. in Management (University of London) and Diploma in Electronics (Ngee Ann Polytechnic), Mr Ng possesses more than 15 years of extensive global e-waste experience. He has spearheaded numerous projects, established 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 Cimelia. Prior to joining Cimelia, Mr Ng ran his own company, which had its core business in the trading of e-waste in the region. In addition, he had headed Sales & Marketing Divisions in other recycling firms before joining Cimelia.

MS ANG MUI NAH

Director

- EH Property Management Pte Ltd

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

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

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

Corporate Review

REVENUE INCREASED BY

S$5.8 million

FINANCIAL REVIEW

Revenue for FY2015 increased by $5.8 million or 5% from $108.3 million to $114.1 million, which was mainly contributed by the Group's recycling and construction businesses. The Group's recycling revenue was improved by the growth in revenue in its subsidiaries that specialise in PGM refining and e-waste recycling, namely Cimelia and HLS. The construction revenue was generated from the joint operation with SB Procurement Pte Ltd (as announced via SGXNET on 18 May 2014) for the construction of a 7-storey multi-user general industrial development located at 60 Jalan Lam Huat, Singapore.

The Group has achieved a positive operational bottom line, but was affected by an impairment of the Group's plastic to fuel ("PTF") refining related plant and equipment of approximately $11.1 million made during the current financial year. This was attributed to the expected delay in the commencement of PTF refining mass production due to the slump in oil prices and instability of the global economy. As a result, a loss of $9.6 million after tax was recorded in FY2015.

SEGMENTAL REVIEW

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

These divisions focus on providing e-waste management solutions and recycling services. In FY2015, this segment turned around from a loss before tax and finance costs of $4.5 million to achieve a segmental profit before tax and finance costs of $0.9 million. The improved performance was attributed to better margins achieved, absence of impairment losses on property, plant and equipment and other investments, as well as the reversal of allowance on trade and other receivables, and write-down of inventories.

PILING, CONSTRUCTION, RENTAL & SERVICING OF MACHINERY AND SALE OF MACHINERY & SPARES DIVISION

This division is involved in providing piling and construction services, as well as the rental and sale of cranes and heavy machinery for the construction industry. The segmental profit before tax and finance costs decreased from $2.6 million in FY2014 to $0.1 million in FY2015 mainly due to fewer projects completed in the piling business. However, the decrease was partially offset by an increase in segmental profit generated from the construction project at Jalan Lam Huat mentioned above.

INVESTMENT PROPERTIES DIVISION

This division was set up in the third quarter of 2013 for the purpose of developing, investing and managing the Group's investment properties. In FY2015, the profit before tax and finance costs from the investment properties business, excluding discontinued operation, decreased from $65.0 million to $20.2 million. This was attributed to lower fair value gain recorded for the Group's investment properties at 1 Selegie Road, PoMo, as well as strata industrial units held at 63 Hillview Avenue, Lam Soon Industrial Building, due to a less robust property market in Singapore.

PLASTIC TO FUEL REFINING DIVISION

This division engages in converting plastic to usable fuel oil, liquid petroleum gas and coke. The loss before tax and finance costs from PTF businesses increased slightly by $0.8 million in FY2015 as compared to FY2014. The increase was primarily due to the full provision of impairment of the PTF plant and equipments made during the current financial year.

OUTLOOK

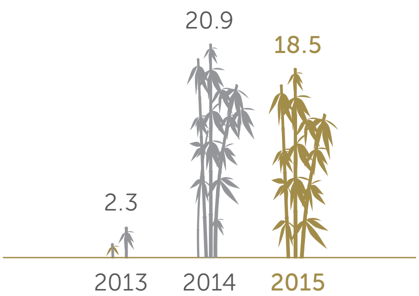
Moving forward, the Group will continue to explore expansion opportunities in property investment and management. In addition, the Group will maintain control of its operating costs, with the ultimate aim of enhancing value and delivering greater value to all stakeholders.

Financial *Highlights*

REVENUE

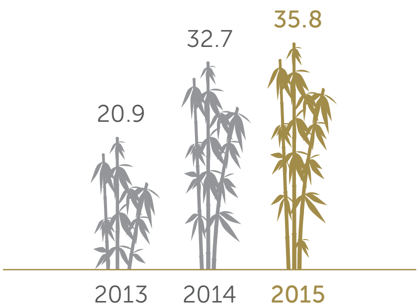
PROPERTY BUSINESS (MIL)

Investment Properties

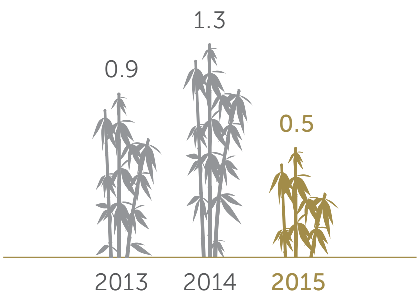


CONSTRUCTION BUSINESS (MIL)

Pilling Contracts, Construction, Rental & Servicing of Machinery

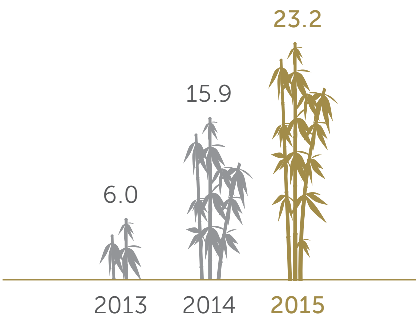


OTHERS (MIL)

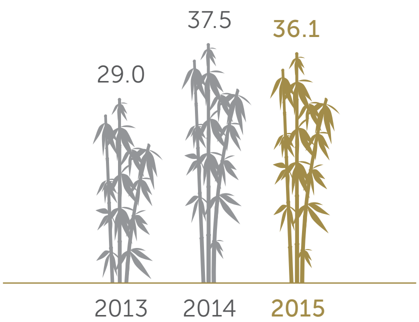


RECYCLING BUSINESS (MIL)

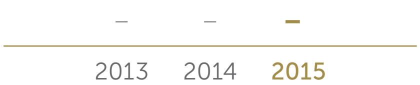
Trading of e-Waste/Metals



Recycling & Refining of Metals



Plastics to Fuel Refining



TOTAL REVENUE FOR FY2015

S$114.1
million

FY2014: S$108.3 million in 2014
FY2013: S$59.1 million in 2013

PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS FOR FY2015

(S$9.3)
million

FY2014: S$32.1 million in 2014
FY2013: S$5.3 million in 2013

PROFIT/(LOSS) FOR FY2015

(S$9.6)
million

FY2014: S$32.4 million in 2014
FY2013: S$6.0 million in 2013

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

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 independent 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 2015 ("FY2015"), 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 FY2015, 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.

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.

Guidelines of the Code	*Corporate Governance Practices of the Company*
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 or target property where the Group operates or invest 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 four directors of whom two 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 50% of the Board comprising independent directors.
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.

Guidelines of the Code	*Corporate Governance Practices of the Company*
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 Samuel Poon Hon Thang has attained his 9 years of service on 26 September 2015. The Board had considered the character and background of Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang (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 the substantial shareholders of the Company. 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. Having weighed the need for the Board's refreshment against tenure, the Board is satisfied with their continued independence of character and judgment and both Mr Tan Kok Hiang and Mr Samuel Poon Hon Thang 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 Ng Ah Hua, Raymond 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.
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.

Guidelines of the Code	***Corporate Governance Practices of the Company***
	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 ("CFO") 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	The Board has appointed Mr Samuel Poon Hon Thang, an independent and non-executive director, as the Lead Independent Director on 25 February 2016. Mr Samuel Poon Hon Thang will be available to address shareholders' concerns when contact through the normal channels of the Chairman and the CFO has failed to provide a satisfactory resolution or when such contact is inappropriate.
3.4	Where warranted, the independent directors, led by the lead independent director, may meet without the presence of Management to review any matters that must be raised privately before the lead independent director provides feedback to the Chairman of the Board.

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 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's structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.

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 Mr Tan Kok Hiang, is satisfied that Mr Tan Kok Hiang should continue as independent director as he does 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 Samuel Poon Hon Thang and/or his associates have entered into a lease agreement for the rental of few commercial units from the Group at arms-length rental rates. Notwithstanding this relationship, the NC and the Board having considered the character and background of Mr Samuel Poon Hon Thang 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 Statement 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**.

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, the Board Committees 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 as well as the efficiency and effectiveness of the Board Committees in assisting the Board. 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.

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 FY2015 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.

Guidelines of the Code	***Corporate Governance Practices of the Company***
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 Samuel Poon Hon Thang and Mr Lai Huen Poh as at the date of this report. As at the date of this report, Awards comprising 13,614,862 ordinary shares were granted to Mr Ng Ah Hua, Raymond, a controlling shareholder and Executive Chairman of the Company pursuant to the Scheme. The Awards granted to Ng Ah Hua, Raymond 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' Statement.
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 executive directors also receive a nominal fee. Fees for NEDs, NEIDs and executive directors are subject to the approval of shareholders at the Annual General Meeting ("AGM"). Shareholders' approval was obtained on 28 April 2015 on the grant of an aggregate number of 2,200,000 ordinary shares to the non-executive directors of the Company as part of their Directors' fees which consists 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.
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 2015.** 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.

Guidelines of the Code	***Corporate Governance Practices of the Company***
	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 FY2015.
Rule 1207(12) of the SGX-ST Listing Rules	Regarding the Code's recommendation to fully disclose the remuneration of directors and the top five key management personnel (who are not directors or the CEO), given the confidentiality of and commercial sensitivity attached to remuneration matters, the Company believes that disclosing remuneration in the respective bands and disclosing in aggregate the total remuneration paid to the directors and the top five key management personnel (who are not directors or the CEO) provide sufficient overview of the remuneration of directors and the top five key management personnel (who are not directors or the CEO).
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 FY2015.
9.5	Detailed information of the Enviro-Hub Share Award Scheme is disclosed in the Directors' Statement. 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.

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 95.

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.

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 as well as the effectiveness of the Company's risk management and internal control systems.

Guidelines of the Code	***Corporate Governance Practices of the Company***
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 two independent non-executive directors and one non-executive director. 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 Samuel Poon Hon Thang and Mr Lai Poh Huen, 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.

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

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;

(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, as disclosed below, 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 FY2015 was S$280,000 and S$231,000 respectively.

The AC has reviewed the non-audit services (tax compliance and very substantial acquisition – reporting accountant services) provided by the external auditors to the Group in FY2015 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.

Guidelines of the Code	Corporate Governance Practices of the Company

12.8 **Summary of AC's Activities in FY2015**

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.

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	Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend AGMs.

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 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.

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 2015 and its current priority is to achieve long-term capital growth for the benefit of shareholders, no dividend has been proposed for FY2015. 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.
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 when dealing in the Company's securities. 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.

Guidelines of the Code	Corporate Governance Practices of the Company

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 was still subsisting as at the end of FY2015, there were no other material contracts involving the interest of the directors or controlling shareholders entered into by the Group which were 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 ("CPM 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 Carros Project Management Pte Ltd ("Carros Project Management", previously known as "Lam Huat Development Pte Ltd"), 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 Carros Project Management. Under the terms of the CPM SHA, the Company has, inter alia, agreed to make available a shareholder's loan of up to S$8 million to Carros Project Management to fund the joint venture ("CPM Shareholder's Loan"). Under the terms of the CPM SHA, the CPM 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 CPM SHA. Further details on this joint venture and the CPM 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 CPM Shareholder's Loan; and

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.

Guidelines of the Code	***Corporate Governance Practices of the Company***
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)**
Carros Project Management Pte Ltd (previously known as "Lam Huat Development Pte Ltd")	Shareholder's loan – Nil (note 1)	–
	Interest income – $110,234	–
EH Property & Investments Pte Ltd	Shareholder's loan – $245,052 (note 2)	–
Kranji Development Pte Ltd	–	Construction-related revenue – S$25,416,740 (note 3)

Notes:

(1) The Company has an existing obligation to make available a CPM Shareholder's Loan of up to an aggregate amount of S$8 million to Carros Project Management to fund the joint venture entered into between the Company and BS Capital, details of the CPM 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 year ended 31 December 2015, the Company has disbursed an aggregate amount of S$5,511,695 to Carros Project Management pursuant to the CPM Shareholder's Loan.

(2) The Company has an existing obligation to fund the joint venture entered into between the Company and BS Capital in relation to EH Property by way of 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 year ended 31 December 2015, the Company has disbursed an aggregate amount of S$47,953,071 to EH Property pursuant to the EH Property Shareholder's Loan.

(3) The Company has, at the Company's AGM held on 28 April 2015, 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 SGX-ST 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. For the financial year ended 31 December 2015, the Group has entered into IPT transactions amounting to S$25,416,740 under the IPT Mandate.

TABLE 1 – ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS FOR FY2015

	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	5	5	2	2	–	–	–	–
Judy Ang Siew Geok**	5	2	–	–	–	–	–	–
Tan Kok Hiang	5	5	2	2	4	4	1	1
Tan Gim Soo*	5	5	2	2	4	4	1	1
Samuel Poon Hon Thang	5	5	–	–	4	4	–	–
Lai Huen Poh	5	5	–	–	–	–	1	1

* Resigned on 15 February 2016
** Appointed on 4 June 2015 and resigned on 19 October 2015

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	Member
Non-Executive Independent Directors ("NEID")				
Tan Kok Hiang	Member	Member	Chairman	Chairman
Samuel Poon Hon Thang	Member	Chairman	Member	Member

TABLE 3 – DATE OF DIRECTOR'S INITIAL APPOINTMENT AND LAST RE-ELECTION AND 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	–
Samuel Poon Hon Thang	26/09/2006	28/04/2015	(a) Enviro-Hub Holdings Ltd (b) JP Nelson Holdings (c) Soilbuild Construction Group Ltd	–
Lai Huen Poh	27/05/2008	28/04/2014	(a) Enviro-Hub Holdings Ltd (b) Rowsley Ltd	–

TABLE 4 – REMUNERATION OF DIRECTORS

The breakdown of the total remuneration of the Directors of the Company for the year ended 31 December 2015 is set out below:-

Name of Directors	Position	Breakdown of Remuneration in Percentage (%) Directors' Fee	Salary	Bonus	Other Benefits	Total	Actual Total Remuneration in Compensation Bands of $100,000 S$
Raymond Ng Ah Hua	ED	–	90%	8%	2%	100%	700,001 – 800,000
Judy Ang Siew Geok*	ED	–	94%	–	6%	100%	<100,000
Tan Kok Hiang	NEID	100%	–	–	–	100%	<100,000
Tan Gim Soo**	NEID	100%	–	–	–	100%	<100,000
Samuel Poon Hon Thang	NEID	100%	–	–	–	100%	<100,000
Lai Huen Poh	NED	100%	–	–	–	100%	<100,000
The Aggregate Total Remuneration (S$'000) of Directors		S$176,376 17%	S$770,909 75%	S$58,000 6%	S$23,479 2%	S$1,028,764 100%	

* Resigned on 19 Oct 2015
** Resigned on 15 Feb 2016

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 2015 is set out below:-

Name of Key Management Personnel	Position	Breakdown of Remuneration in Percentage (%) Salary	Bonus	Other Benefits	Total	Actual Total Remuneration in Compensation Bands of $100,000 S$
Tan Lay Mai	CFO/SD	90%	7%	3%	100%	400,001 – 500,000
Chan Yeow Meng	SD	80%	5%	15%	100%	100,001 – 200,000
Jerry Ng Boon Song	SD	81%	7%	12%	100%	100,001 – 200,000
Ang Mui Nah	SD	83%	7%	10%	100%	100,001 – 200,000
Lim Kheng Boon	SD	80%	6%	14%	100%	<100,000
The Aggregate Total Remuneration (S$'000) of Key Management Personnel		S$760,920 85%	S$59,410 7%	S$73,897 8%	S$894,227 100%	

Legends:-

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:-

SD : Subsidiaries' Director
CFO : Chief Financial Officer

DIRECTORS' STATEMENT

We hereby submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

(a) the financial statements set out on pages 37 to 98 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year 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.

DIRECTORS

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

Ng Ah Hua
Lai Huen Poh
Samuel Poon Hon Thang
Tan Kok Hiang

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
Enviro-Hub Holdings Ltd. Fixed rate notes in denominations of $250,000		
Ng Ah Hua	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 statement, 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 2016.

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed under the "Enviro-Hub Share Award Scheme" section of this statement, 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 statement 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.

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 Samuel Poon Hon Thang and Mr Lai Huen Poh.

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 Act and any requirement of the Singapore Exchange Securities Trading Limited (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.

ENVIRO-HUB SHARE AWARD SCHEME (CONT'D)

(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.

(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, allotted and cancelled during the financial year, and Awards outstanding as at the end of the financial year, were as follows:

	Balance as at 1 January 2015	Share awards granted	Share awards allotted	Share awards cancelled	Balance as at 31 December 2015
Group Executive Chairman					
Mr Ng Ah Hua	13,614,862	–	–	–	13,614,862
Non-Executive Independent Director					
Mr Tan Kok Hiang	–	550,000	–	–	550,000
Mr Tan Gim Soo	–	550,000	–	–	550,000
Mr Samuel Poon Hon Thang	–	550,000	–	–	550,000
Non-Executive Director					
Mr Lai Huen Poh	–	550,000	–	–	550,000
Total	13,614,862	2,200,000	–	–	15,814,862

Since the commencement of the Scheme to the date of this statement, Awards comprising 15,814,862 ordinary shares were granted to the Company's directors.

Other than above, no other Awards were granted under the Scheme as at 31 December 2015. 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 2015. During the year, 2,200,000 ordinary shares granted under the Scheme to the Company's Non-Executive directors have been entitled to the Non-Executive directors but not yet allotted as at 31 December 2015.

As at 31 December 2015, 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.

AUDIT COMMITTEE

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

- Tan Kok Hiang (Chairman and Independent Director)
- Samuel Poon Hon Thang (Independent Director)
- Lai Huen Poh (Non-Executive Director) (appointed on 18 February 2016)
- Tan Gim Soo (Independent Director) (resigned on 15 February 2016)

The Audit Committee performs the functions specified in Section 201B of the Act, the listing manual of SGX-ST (SGX Listing Manual) and the Code of Corporate Governance 2012.

The Audit Committee has held 4 meetings since the last directors' statement. 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 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 reviewed the independence of the auditors as required under Section 206(1A) and is satisfied with the independence and objectivity of the external auditors. The Audit Committee 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

24 March 2016

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 2015, 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 37 to 98.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements 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 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year 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 subsidiary corporations 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
24 March 2016

Statements of Financial Position

As at 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	4	24,396	35,406	204	240
Intangible assets	5	–	1,367	–	–
Investment properties	6	562,610	551,900	–	–
Subsidiaries	7	–	–	18,379	18,379
Joint venture and joint operation	8	24	24	–	–
Other investments	10	5,512	5,512	5,512	5,512
Trade and other receivables	11	658	826	–	–
Other assets	15	–	2,249	–	–
		593,200	597,284	24,095	24,131
Current assets					
Inventories	12	5,335	4,973	–	–
Trade and other receivables	11	26,220	16,985	53,526	48,624
Cash and cash equivalents	14	4,182	4,034	202	391
Assets held for sale	16	–	7,041	–	–
		35,737	33,033	53,728	49,015
Total assets		628,937	630,317	77,823	73,146
Equity attributable to owners of the Company					
Share capital	17	95,888	95,888	95,888	95,888
Foreign currency translation reserve	18	(6,790)	(6,464)	–	–
Other reserve	19	(6,852)	(6,852)	–	–
Accumulated losses		(13,262)	(7,603)	(73,245)	(69,084)
		68,984	74,969	22,643	26,804
Non-controlling interests	9	26,815	30,826	–	–
Total equity		95,799	105,795	22,643	26,804
Non-current liabilities					
Loans and borrowings	20	409,435	246,714	30,000	–
Trade and other payables	22	46,306	46,612	–	–
Deferred tax liabilities	21	361	408	–	–
		456,102	293,734	30,000	–
Current liabilities					
Loans and borrowings	20	38,517	201,014	–	30,000
Trade and other payables	22	38,202	24,992	25,180	16,342
Current tax payable		317	565	–	–
Liabilities held for sale	16	–	4,217	–	–
		77,036	230,788	25,180	46,342
Total liabilities		533,138	524,522	55,180	46,342
Total equity and liabilities		628,937	630,317	77,823	73,146

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Continuing operations			
Revenue	23	114,131	108,339
Cost of sales		(99,010)	(92,546)
Gross profit		15,121	15,793
Other income	24	12,102	55,771
Selling and distribution expenses		(2,669)	(3,525)
General and administrative expenses		(7,483)	(7,261)
Other expenses	25	(12,700)	(15,202)
Results from operating activities		4,371	45,576
Finance income	26	124	225
Finance costs	26	(13,777)	(13,652)
Net finance costs		(13,653)	(13,427)
(Loss)/profit before tax		(9,282)	32,149
Income tax expense	27	(251)	(975)
(Loss)/profit from continuing operations		(9,533)	31,174
Discontinued operation			
(Loss)/profit from discontinued operation (net of tax)	16	(44)	1,205
(Loss)/profit for the year		(9,577)	32,379
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Translation differences relating to financial statements of foreign operations		(419)	(97)
Other comprehensive income for the year		(419)	(97)
Total comprehensive income for the year		(9,996)	32,282
(Loss)/profit attributable to:			
Owners of the Company	29	(5,659)	12,909
Non-controlling interests		(3,918)	19,470
(Loss)/profit for the year		(9,577)	32,379
Total comprehensive income attributable to:			
Owners of the Company		(5,985)	12,670
Non-controlling interests		(4,011)	19,612
Total comprehensive income for the year		(9,996)	32,282
(Loss)/earnings per share:			
Basic and diluted (cents)	29	(0.55)	1.26
(Loss)/earnings per share – continuing operations:			
Basic and diluted (cents)	29	(0.55)	1.20

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumu-lated 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 other comprehensive income	–	(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							
Contributions by and distributions to owners							
– Dividends paid	–	–	–	–	–	(299)	(299)
– Share-based payment transactions	–	–	–	280	280	–	280
Total contributions by and distributions to owners	–	–	–	280	280	(299)	(19)
Total transactions 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 Changes in Equity

Year ended 31 December 2015

	Share capital $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumu-lated losses $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2015	95,888	(6,464)	(6,852)	(7,603)	74,969	30,826	105,795
Total comprehensive income for the year							
Loss for the year	–	–	–	(5,659)	(5,659)	(3,918)	(9,577)
Other comprehensive income							
Translation differences relating to financial statements of foreign operations	–	(326)	–	–	(326)	(93)	(419)
Total other comprehensive income	–	(326)	–	–	(326)	(93)	(419)
Total comprehensive income for the year	–	(326)	–	(5,659)	(5,985)	(4,011)	(9,996)
At 31 December 2015	95,888	(6,790)	(6,852)	(13,262)	68,984	26,815	95,799

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

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Cash flows from operating activities			
(Loss)/profit for the year		(9,577)	32,379
Adjustments for:			
Amortisation of intangible assets	5	114	159
Amortisation of deferred income		(750)	(693)
Bad debts written off		2	–
Depreciation of property, plant and equipment	4	3,954	4,437
Fair value gain in investment properties	6	(10,238)	(52,346)
Finance costs	26	13,806	13,777
Finance income	26	(124)	(225)
Gain on disposal of property, plant and equipment	24	(610)	(511)
Gain on disposal of other investments	24	–	(4)
Gain on disposal of a subsidiary	24	–	(2,675)
Impairment losses on other investment	25	–	427
Impairment losses on property, plant and equipment	4	8,134	8,586
Impairment losses on other assets	15	2,249	1,930
Impairment losses on intangible assets	5	1,253	1,309
Income tax expense		252	975
Net change in fair value of financial assets designated at fair value through profit or loss	24	–	(8)
Property, plant and equipment written off		23	37
(Reversal of)/allowance for impairment losses on trade and other receivables	25	(239)	381
(Reversal of)/allowance for write-down of inventories	12	(338)	857
Share-based payment transactions		–	280
		7,911	9,072
Changes in working capital:			
Inventories		203	1,869
Trade and other receivables		(8,289)	432
Trade and other payables		8,714	(2,363)
Cash generated from operating activities		8,539	9,010
Income taxes paid		(546)	(2)
Net cash from operating activities		7,993	9,008

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

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Note	2015 $'000	2014 $'000
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		–	(12,000)
Acquisition of property, plant and equipment (Note A)	4	(452)	(1,954)
Interest received		14	114
Investment in and quasi-equity loan to other investee		–	(345)
Investment in a joint venture		–	(24)
Payment for renovation of investment properties	6	(472)	(554)
Payment of dividend to a subsidiary's non-controlling interests		–	(299)
Proceeds from disposal of a subsidiary	36	–	4,839
Proceeds from disposal of other investments		–	607
Proceeds from disposal of property, plant and equipment		819	934
Proceeds from disposal of discontinued operation	36	2,427	–
Deposit received from disposal of discontinued operation	36	–	350
Refund of performance guarantee deposit from a director of a subsidiary		–	(2,000)
Receipt of tax claims related to investment properties		–	9,854
Net cash from/(used in) investing activities		2,336	(478)
Cash flows from financing activities			
Deposits pledged		158	(1,053)
Interest paid		(14,063)	(12,776)
Loans from a non-controlling interests		405	13,694
Loans from a related party		3,975	37
Loan from a related company		250	–
Payment of finance lease liabilities		(443)	(2,397)
Proceeds from short-term loans and borrowings		4,091	6,129
Proceeds from/(repayment of) long-term loans and borrowings		25,677	(11,641)
Repayment of unsecured notes	20	(30,000)	–
Net cash used in financing activities		(9,950)	(8,007)
Net increase cash and cash equivalents		379	523
Cash and cash equivalents at 1 January		(326)	(1,313)
Effect of exchange rate fluctuations on cash held		87	464
Cash and cash equivalents at 31 December	14	140	(326)

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,354,000 (2014: $2,335,000) (note 4) of which $902,000 (2014: $381,000) were acquired under finance leases.

These notes form an integral part of the financial statements.

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

The financial statements were authorised for issue by the Board of Directors on 24 March 2016.

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 2015 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in equity accounted investee.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group consist of investing in and management of commercial and industrial properties, 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 and construction works, sale, rental and servicing of engineering hardware, construction machinery and equipment, and investment holding.

2 BASIS OF PREPARATION

2.1 Going concern basis of accounting

As at 31 December 2015, the Group's current liabilities exceeded its current assets by $41,299,000. Notwithstanding this, the financial statements of the Group have been prepared on a going concern basis because the Board of Directors, having assessed the financial position and funding options of the Group, believes that the Group have adequate resources to continue as a going concern for the foreseeable future. The liquidity requirements of the Group are expected to be met from the proceeds of the disposal of a leasehold property (see note 37), cash inflows from operating activities, extension/renewal of existing banking facilities, and continued financial support from the major shareholder of the Company. In this regard, the major shareholder of the Company has indicated in writing his continued financial support to the Group at least for the next twelve months from the date of these financial statements to enable the Group to continue to trade and to meet its obligations.

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.

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.

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.

2 BASIS OF PREPARATION (CONT'D)

2.5 Use of estimates and judgements (cont'd)

- 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 2015, 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.

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.

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. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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 date of acquisition. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries

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

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

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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets (cont'd)

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.

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 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

Financial assets at fair value through profit or loss

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

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. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

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.

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

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.

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, as if no impairment loss had been recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.9 Construction contracts-in-progress

Construction contracts-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 contracts-in-progress is presented as part of trade and other receivables 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 billing in excess of construction contracts-in-progress in the statement of financial position. Customer advances are presented as other payables in the statement of financial position.

3.10 Current asset held for sale

Current asset, 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Employee benefits

Defined contribution plans

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

3.12 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Revenue (cont'd)

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 contracts-in-progress and included under trade and other receivables. 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 billing in excess of construction contracts-in-progress and included under trade and other payables. Amounts received before the related work is performed are shown as other payables 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.

3.13 Government grants

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

3.14 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Leases (cont'd)

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.

3.15 Finance income and finance costs

Finance income comprises interest income on funds deposited with financial institutions 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.

3.16 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax (cont'd)

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.

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.

3.17 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.

3.18 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.

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses 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, finance costs and income tax expense.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

These new standards include, among others, FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments which are mandatory for adoption by the Group on 1 January 2017 and 1 January 2018 respectively.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreement Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue – Barter Transactions Involving Advertising Services.

- FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group's finance team is assessing the potential impact on its financial statements and to implement the standards. The Group does not plan to adopt these standards early.

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 2014	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)
Effect of movement in exchange rates	–	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
Additions	–	921	59	15	231	127	1	1,354
Transfers	–	219	–	–	1	–	(220)	–
Disposals/ write offs	–	(1,622)	(38)	–	(31)	(18)	–	(1,709)
Effect of movement in exchange rates	–	782	17	15	41	27	(165)	717
At 31 December 2015	16,371	43,795	1,397	403	2,722	1,164	19,657	85,509
Accumulated depreciation and impairment losses								
At 1 January 2014	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)
Effect of movement in exchange rates	–	522	8	10	17	13	(186)	384
At 31 December 2014	3,523	30,769	1,229	331	781	668	12,440	49,741
Depreciation charge for the year	1,117	1,888	74	18	682	175	–	3,954
Impairment losses	–	818	–	–	–	–	7,316	8,134
Disposals/write offs	–	(1,413)	(30)	–	(31)	(3)	–	(1,477)
Transfers	–	(2)	–	–	–	2	–	–
Effect of movement in exchange rates	–	780	13	16	29	22	(99)	761
At 31 December 2015	4,640	32,840	1,286	365	1,461	864	19,657	61,113
Carrying amounts								
At 1 January 2014	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
At 31 December 2015	11,731	10,955	111	38	1,261	300	–	24,396

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles $'000	Office equipment $'000	Total $'000
Company			
Cost			
At 1 January 2014	95	219	314
Additions	–	97	97
Disposal/write-off	–	(18)	(18)
At 31 December 2014	95	298	393
Additions	–	47	47
Disposal/write-off	–	(10)	(10)
At 31 December 2015	95	335	430
Accumulated depreciation			
At 1 January 2014	28	104	132
Depreciation charge for the year	10	26	36
Disposal/write-off	–	(15)	(15)
At 31 December 2014	38	115	153
Depreciation charge for the year	9	74	83
Disposal/write-off	–	(10)	(10)
At 31 December 2015	47	179	226
Carrying amounts			
At 1 January 2014	67	115	182
At 31 December 2014	57	183	240
At 31 December 2015	48	156	204

Leased motor vehicles and machineries

The Group leases motor vehicles and machineries under a number of finance leases. At 31 December 2015, the net carrying amount of leased assets were $1,829,000 (2014: $1,722,000) for the Group.

During the year, the Group acquired a motor vehicle and machineries with carrying amount of $807,000 (2014: $464,000) under finance leases.

Security

At 31 December 2015, various property, plant and equipment of the Group with the following carrying amounts were pledged as security to secure bank loans (see note 20):

	Group	
	2015 $'000	2014 $'000
Leasehold properties	11,731	12,848
Plant and machinery	3,047	3,811

Assets under finance leases were charged to banks as security for the finance lease liabilities of the Group (see note 20).

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

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 other assets are impaired. If any such indication exists, the Group shall estimate the recoverable amount of the assets.

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

During the financial year, due to changes in market condition for cranes and piling machinery and equipment, impairment loss of $579,000 (2014: Reversal of impairment of $519,000) was recognised as other expenses in profit or loss. The estimates of recoverable amounts of $10,099,000 as at 31 December 2015 (2014: $10,509,000), based on fair value less costs to sell, were supported by 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 value in use, determined based on the inputs to the valuation technique used (see note 33).

Recycling and refining of metals plant and machinery

In the last financial year, 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. With the recoverable amount of $Nil, the carrying amount of $2,357,000 had been fully impaired in 2014 as part of other expenses in profit or loss. The recoverable amount of the CGU was based on value in use, determined based on discounted cash flows using a pre-tax discount rate of 11.5%.

Plastics to fuel (PTF) CGU

As at the end of the financial year, the commencement of PTF refining production was again expected to be delayed due to the slump in fuel oil prices and instability of the global economy, 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 comprised 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 fully impaired as at 31 December 2015 (2014: $12,094,000). The recoverable amount of the CGU was based on value in use, and an impairment loss of $11,057,000 (2014: $9,987,000) 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	2015 $'000	2014 $'000
PTF CGU			
Property, plant and equipment		7,555	6,748
Intangible assets	5	1,253	1,309
Other assets	15	2,249	1,930
		11,057	9,987

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 (including fuel price) 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% (2014: 22%), 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 comparable equities and the inherent risk of the PTF CGU.

Fuel price

The projected annual revenue of PTF CGU's operation used in the value in use projection was derived by referring to the current market price of an equivalent fuel oil category with similar energy characteristic and composition as the PTF fuel, at the rate of EUR 483/ton (2014: EUR 691/ton).

5 INTANGIBLE ASSETS

	Patented technology $'000
Group	
Cost	
At 1 January 2014, 31 December 2014 and 31 December 2015	4,600
Accumulated amortisation and impairment losses	
At 1 January 2014	1,765
Amortisation during the year	159
Impairment losses	1,309
At 31 December 2014	3,233
Amortisation during the year	114
Impairment losses	1,253
At 31 December 2015	4,600
Carrying amounts	
At 1 January 2014	2,835
At 31 December 2014	1,367
At 31 December 2015	–

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

6 INVESTMENT PROPERTIES

	Note	2015 $'000	2014 $'000
Group			
At 1 January		551,900	506,000
Additions - renovations		472	554
Reclassified as held for sale	16	–	(7,000)
Change in fair value	24	10,238	52,346
At 31 December		562,610	551,900

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 1 to 3 years. Subsequent renewals are negotiated with the lessee and on average, the renewal period is 1 to 3 years. No contingent rents are charged.

Changes in fair value are recognised as gain in profit or loss and included in other income. All gains are unrealised. The fair value measurement of the investment properties is disclosed in note 33.

Security

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

7 SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Unquoted equity shares, at cost	186,083	186,083
Impairment losses	(167,704)	(167,704)
	18,379	18,379

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 expenses and decrease non-current assets.

7 SUBSIDIARIES (CONT'D)

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

	Company	
	2015	**2014**
	$'000	**$'000**
At 1 January	167,704	164,404
Impairment losses	–	3,300
At 31 December	167,704	167,704

During the last financial year, due to continued operating losses of Enviro-Power Pte Ltd, a 39% 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 was recognised as part of other expenses in the Company's profit or loss.

During the last financial year, 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 was recognised as part of other expenses in the Company's profit or loss.

The estimated recoverable amounts are determined based on the subsidiaries' estimated value in use. The value in use of Cimelia Resource Recovery Pte Ltd and Enviro-Power Pte Ltd are determined based on discounted cash flows method using a pre-tax discount rate of 11.5% and 22.0% respectively.

Details of subsidiaries are as follows:

Name of subsidiary	**Principal activities**	**Country of incorporation**	**Effective equity interest held by the Group**	
			2015	**2014**
			%	**%**
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]	Recovery and processing of ferrous and non-ferrous metals and rental, servicing and sale of machinery and equipment	Singapore	100	100
Enviro Investments Pte Ltd [2]	Investment holding	Singapore	100	100
Enviro-Power Pte Ltd [1,4]	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

7 SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Effective equity interest held by the Group 2015 %	2014 %
Held by Enviro-Power Pte Ltd				
Enviro Property Pte Ltd [1,4]	Property holding	Singapore	39	39
Enviro Restorer S R L [3,4]	Converting plastics to fuel	Italy	39	39
Enviro Restorer (Como) S R L [2,3,4]	Converting plastics to fuel	Italy	39	39
Held by Leong Hin Piling (Pte.) Limited				
Leong Hin Builders Pte Ltd [1]	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]	Real estate-related investments and 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 [1,5]	Real estate activities with own or leased property	Singapore	–	51

1 Audited by KPMG LLP, Singapore.
2 Dormant.
3 Audit is not required under local regulations.
4 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 has the ability to direct these entities' activities that most significantly affect their returns.
5 Disposed during financial year 2015.

Security

As at 31 December 2014, 100% of the Group's shareholdings in F2S1 Investment Pte Ltd was pledged as security to secure bank loans as disclosed in note 20.

8 JOINT VENTURE AND JOINT OPERATION

Join venture

	Group	
	2015 **$'000**	**2014** **$'000**
Interest in joint venture	24	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 2015 %	2014 %
Plastic to Fuel S R L [1]	Construction, operation and maintenance of plastics to fuel plant and marketing of PTF final products and by-products	Italy	50	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	
	2015 **$'000**	**2014** **$'000**
Assets and liabilities		
Total assets [a]	48	48
Total liabilities	*	–
Results		
Revenue	–	–
Loss after tax	*	–
Contingent liabilities	–	–
Joint venture's capital commitments	–	–

[a] Include cash and cash equivalents of $48,000 (2014: $48,000) classified as current assets.
* Denotes amount < $1,000

Joint operation

The Group through its wholly owned subsidiary, Leong Hin Builders Pte Ltd, is a 40% partner in an unincorporated joint arrangement formed with SB Procurement Pte Ltd to jointly develop the building of a 7-storey multiple-user general industrial development at 60 Jalan Lam Huat, Singapore 737869. The joint arrangement is accounted for as a joint operation. The principal place of business is in Singapore.

9 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests (NCI) that are material to the Group:

Name	Principal places of business/ Country of incorporation	Operating segment	Ownership interests held by NCI 2015 %	2014 %
EH Property & Investments Pte Ltd	Singapore	Investment properties	49	49
Enviro-Power Pte Ltd	Singapore	Plastics 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	Intra-group eliminations $'000	Total $'000
2015					
Revenue	18,509	853	33,148		
Profit/(loss)	8,782	(13,926)	560		
Other comprehensive income (OCI)	–	(152)	–		
Total comprehensive income	8,782	(14,078)	560		
Attributable to NCI:					
– Profit/(loss)	4,303	(8,495)	111	163	(3,918)
– OCI	–	(93)	–	–	(93)
– Total comprehensive income	4,303	(8,588)	111	163	(4,011)
Non-current assets	563,579	10,496	166		
Current assets	4,565	342	13,894		
Non-current liabilities	(418,211)	(6,381)	–		
Current liabilities	(62,752)	(32,532)	(7,258)		
Net assets/(liabilities)	87,181	(28,075)	6,802		
Net assets/(liabilities) attributable to NCI	42,719	(17,126)	1,343	(122)	26,815
Cash flows from/(used in) operating activities	9,465	(889)	(5,005)		
Cash flows from/(used in) investing activities	1,771	–	(30)		
Cash flows (used in)/from financing activities	(11,679)	913	5,421		
Net (decrease)/increase in cash and cash equivalents	(443)	24	386		

9 NON-CONTROLLING INTERESTS (CONT'D)

	EH Property & Investments Pte Ltd $'000	Enviro-Power Pte Ltd $'000	HLS Electronics Pte Ltd $'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	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)		

10 OTHER INVESTMENTS

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current investments				
Financial assets designated at fair value through profit or loss:				
– Equity securities (quoted)	427	427	–	–
Less: Impairment losses	(427)	(427)	–	–
	*	*	–	–
Available-for-sale financial assets:				
– Equity securities (unquoted)	*	*	*	*
– Quasi-equity loans to a joint venture company with a related party (note 35(ii))	5,512	5,512	5,512	5,512
	5,512	5,512	5,512	5,512

* Denotes amount < $1,000

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 losses.

During the last financial year, impairment losses of $427,000 were made for the quoted equity securities due to on-going disputes with the issuer of the equity securities. As at 31 December 2015, there were no significant developments on this matter as both parties are still in arbitration.

11 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables		4,466	12,721	1	–
Amounts due from a related party (trade)		7,613	–	–	–
Impairment losses		(305)	(5,891)	–	–
		11,774	6,830	1	–
Accrued trade receivables		5,203	7,623	–	–
Impairment losses		(92)	(107)	–	–
		5,111	7,516	–	–
Amounts due from subsidiaries (interest bearing loan)		–	–	16,686	14,576
Amounts due from subsidiaries (non-interest bearing loan)		–	–	47,953	47,708
Amounts due from subsidiaries (non-trade)		–	–	7,592	5,642
Impairment losses		–	–	(19,523)	(19,523)
		–	–	52,708	48,403
Other deposits		710	667	41	–
Other receivables		594	945	221	117
Loans and receivables		18,189	15,958	52,971	48,520
Construction contracts-in-progress	13	6,782	11	–	–
Prepayments		1,907	1,842	555	104
		26,878	17,811	53,526	48,624
Representing:					
Non-current		658	826	–	–
Current		26,220	16,985	53,526	48,624
		26,878	17,811	53,526	48,624

As at 31 December 2015, non-current and current trade receivables of the Group include retention sums of $658,000 and $3,199,000 (2014: $826,000 and $1,837,000) respectively.

The loans to subsidiaries are unsecured, bear interest of 2% (2014: 2%) and are 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.

12 INVENTORIES

	Group	
	2015 $'000	2014 $'000
Trading inventories	5,297	4,875
Raw materials and consumables	38	98
	5,335	4,973

In 2015, inventories of $84,384,000 (2014: $65,287,000) were recognised as an expense during the year and included in cost of sales.

In 2014, the Group wrote down certain inventories of $3,604,000 to their net realisable value, which resulted in a loss of $857,000. In 2015, following a change in net realisable value of the inventories, $338,000 of the write-down was reversed.

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 CONTRACTS-IN-PROGRESS

	Note	Group	
		2015 $'000	2014 $'000
Costs incurred		34,754	28,297
Attributable profits		3,158	2,966
Progress billings to-date		(31,130)	(31,252)
Construction contracts-in-progress	11	6,782	11

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

14 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Bank balances		2,979	2,831	202	391
Deposits with financial institutions		1,203	1,203	–	–
Cash and cash equivalents in the statements of financial position		4,182	4,034	202	391
Bank overdrafts	20	(3,042)	(3,202)	–	–
Deposits pledged	20	(1,000)	(1,158)	–	–
Cash and cash equivalents in the consolidated statement of cash flows		140	(326)	202	391

The effective interest rates relating to deposits with financial institutions at 31 December 2015 for the Group range between 0.25% to 1.45% (2014: 0.25% to 1.02%). Interest rates were repriced within 1 year, upon maturity of the fixed deposits.

Deposits pledged comprised bank balances and deposits of certain subsidiaries pledged as securities to obtain certain credit facilities (see note 20).

15 OTHER ASSETS

	Note	Group 2015 $'000	Group 2014 $'000
At 1 January		2,249	4,179
Impairment losses	4	(2,249)	(1,930)
At 31 December		–	2,249

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 which were included in the PTF CGU 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 was completed in April 2015.

At 31 December 2014, the disposal group was stated at fair value less costs to sell and reclassified as assets/liabiliities held for sale. The disposal group held for sale comprised the following assets and liabilities:

	Note	Group 2014 $'000
Investment property	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 were 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 was categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 33).

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

The disposal group is presented as a discontinued operation as at 31 December 2015 and the statement of comprehensive income of the discontinued operation are as follows:

	Note	Group 2015 $'000	Group 2014 $'000
Result of discontinued operation			
Revenue		52	219
Other income		–	1,190
Expenses		(95)	(204)
Result from operating activities		(43)	1,205
Tax		(1)	*
Result from operating activities, net of tax / (loss)/profit of the year		(44)	1,205
Basic and diluted earnings per share (cents)	29	(#)	0.06
Cash flows used in discontinued operation			
Net cash from operating activities		11	228
Net cash used in financing activities		(13)	(232)
Net cash flows for the year		(2)	(4)

* Denotes amount < $1,000
\# Denotes amount < 0.01 cent

17 SHARE CAPITAL

	Group and Company Number of shares 2015 '000	Number of shares 2014 '000
Fully paid ordinary shares, with no par value:		
At 1 January/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.

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 on 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.

17 SHARE CAPITAL (CONT'D)

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.

Share Award I

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 had not been allotted as at 31 December 2015.

Share Award II

Pursuant to the Scheme, a grant of Award was made to the Company's Non-Executive Directors on 28 April 2015. The award comprised 2,200,000 fully paid ordinary shares with no performance condition and vesting period attached. The ordinary shares granted have been entitled to the awardees but not yet allotted as at 31 December 2015.

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.

20 LOANS AND BORROWINGS

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current liabilities					
Secured bank loans		408,649	246,263	30,000	–
Finance lease liabilities		786	451	–	–
		409,435	246,714	30,000	–
Current liabilities					
Unsecured bank overdrafts		657	3,202	–	–
Secured bank overdrafts		2,385	–	–	–
	14	3,042	3,202	–	–
Secured bank loans		9,016	146,404	–	–
Unsecured notes		–	30,000	–	30,000
Secured trust receipts		26,010	21,083	–	–
Finance lease liabilities		449	325	–	–
		38,517	201,014	–	30,000
Total loans and borrowings		447,952	447,728	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	2015 Face value $'000	2015 Carrying amount $'000	2014 Face value $'000	2014 Carrying amount $'000
Group						
Unsecured notes	8.50%	2015	–	–	30,000	30,000
S$ fixed rate loan I	6.45%	2015	–	–	219	219
S$ floating rate loans I	COF^ + 1.75%	2015 – 2025	7,420	7,420	8,579	8,579
S$ floating rate loans II	SOR* + 1.75%	2015	–	–	660	660
S$ floating rate loans III	COF^ + 2.00%	2016	500	500	500	500
S$ floating rate loans IV	EBR# – 2.40%	2015 – 2029	112,515	112,515	114,936	114,936
S$ floating rate loans V	SOR* + 1.75% – 3.50%	2016 – 2020	266,000	266,000	165,000	165,000
S$ floating rate loans VI	SOR* + 1.75%	2015	–	–	101,000	101,000
S$ floating rate loans VII	SIBOR* + 2.50%	2015 – 2018	1,230	1,230	1,773	1,773
S$ floating rate loan VIII	SOR* + 3.50% – 4.50%	2017	30,000	30,000	–	–
S$ finance lease liabilities	1.50% – 2.60%	2015 – 2020	1,297	1,235	810	776
S$ trust receipts	1.98% – 3.32%	2015 – 2016	17,804	17,804	13,870	13,870
US$ trust receipts	1.84% – 2.32%	2015 – 2016	8,206	8,206	7,119	7,119
THB trust receipts	3.98% – 5.00%	2015	–	–	94	94
Secured S$ bank overdrafts	Prime lending rate + 0.25%	2015 – 2016	2,385	2,385	–	–
Unsecured S$ bank overdrafts	Prime lending rate + 0.25% – 0.75%	2015 – 2016	657	657	3,202	3,202
			448,014	447,952	447,762	447,728
Company						
Unsecured notes	8.50%	2015	–	–	30,000	30,000
S$ floating rate loan	SOR* + 3.50% – 4.50%	2017	30,000	30,000	–	–
			30,000	30,000	30,000	30,000

^ The respective bank's cost of funds.
* Singapore Swap Offer Rate (SOR) and Singapore Interbank Offer Rate (SIBOR) represent the average cost of funds used by banks in Singapore for commercial lending.
# The respective bank's enterprise base rate.

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 amount of $11,731,000 (2014: $12,848,000);

(b) First legal mortgage over assets held for sale with carrying amount of $7,000,000 as at 31 December 2014;

(c) First legal mortgage over investment properties with carrying amount of $196,610,000 (2014: $189,900,000);

(d) First and second legal mortgages over an investment property with carrying amount of $366,000,000 (2014: $362,000,000);

(e) First fixed charge over 100% shareholdings of F2S1 Investment Pte Ltd as at 31 December 2014;

(f) Deposits amounting to $1,000,000 (2014: $1,158,000);

(g) Fixed charges on inventories with carrying amount of $5,319,000 (2014: $4,972,000);

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

(i) Fixed charges on 200 million shares (2014: 200 million shares) of the Company held by the Executive Chairman;

(j) Fixed charge on certain plant and machinery with carrying amount of $3,047,000 (2014: $3,811,000).

Finance lease liabilities

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

	Principal 2015 $'000	Interest 2015 $'000	Payments 2015 $'000	Principal 2014 $'000	Interest 2014 $'000	Payments 2014 $'000
Group						
Payable within 1 year	449	31	480	325	18	343
Payable after 1 year but within 5 years	786	31	817	451	16	467
Total	1,235	62	1,297	776	34	810

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.

21 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group 2015 $'000	Group 2014 $'000
Trade receivables	2,127	2,401

21 DEFERRED TAX LIABILITIES (CONT'D)

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

	At 1 January 2014 $'000	Recognised in profit or loss (note 27) $'000	At 31 December 2014 $'000	Recognised in profit or loss (note 27) $'000	At 31 December 2015 $'000
Group					
Deferred tax liabilities					
Trade receivables	–	408	408	(47)	361

22 TRADE AND OTHER PAYABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current					
Deferred income	(i)	233	944	–	–
Amounts due to a non-controlling interests (non-interest bearing loan)	(ii)	46,073	45,668	–	–
		46,306	46,612	–	–
Current					
Deferred income	(i)	776	727	–	–
Trade payables		13,871	6,302	–	–
Project costs accruals		3,748	777	–	–
Other accruals		3,688	4,773	1,605	1,953
Other payables		7,186	7,649	1,051	454
Amounts due to a related party (non-trade)	(iii)	274	330	–	–
Amounts due to a related party (non-interest bearing loan)	(iv)	4,012	37	4,012	37
Amounts due to a non-controlling interests (interest bearing loan)	(v)	4,397	4,397	–	–
Amount due to a related company (interest bearing loan)	(vi)	250	–	250	–
Amounts due to subsidiaries (non-trade)	(iii)	–	–	1,256	169
Amounts due to subsidiaries (interest bearing loan)	(v)	–	–	17,006	13,729
		38,202	24,992	25,180	16,342
		84,508	71,604	25,180	16,342

(i) The deferred income on sale and leaseback relates to the excess profit (the excess of the sale price over the fair value) arising from the sale and leaseback of a leasehold property previously held by the Group. The excess profit was deferred and amortised over the lease period of 10 years.
(ii) The amounts are unsecured, interest-free and are repayable on demand after 2016.
(iii) The amounts are unsecured, interest-free and are repayable on demand.
(iv) The amounts are due to a company where a director of the Company has a controlling interest. The amounts are unsecured, interest-free and are repayable on demand.
(v) The amounts are unsecured, bear interest at 2% (2014: 2%) and are repayable on demand.
(vi) The amount is unsecured, bears interest at 3.1% (2014: Nil) and is 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

	<---2015--->			<---2014--->		
	Continuing operations $'000	**Discontinued operation (note 16) $'000**	**Total $'000**	**Continuing operations $'000**	**Discontinued operation (note 16) $'000**	**Total $'000**
Sales of goods	59,269	–	59,269	53,405	–	53,405
Sales of machinery and accessories	14	–	14	1	–	1
Dividend income	–	–	–	224	–	224
Revenue from construction contracts	25,167	–	25,167	–	–	–
Revenue from piling contracts	10,056	–	10,056	32,419	–	32,419
Revenue from rental of machinery and equipment	517	–	517	326	–	326
Rental income	651	–	651	1,082	–	1,082
Rental income from investment properties	18,457	52	18,509	20,882	219	21,101
	114,131	52	114,183	108,339	219	108,558

24 OTHER INCOME

	<---2015--->			<---2014--->		
	Continuing operations $'000	**Discontinued operation (note 16) $'000**	**Total $'000**	**Continuing operations $'000**	**Discontinued operation (note 16) $'000**	**Total $'000**
Fair value gain in investment properties	10,238	–	10,238	51,156	1,190	52,346
Gain on disposal of property, plant and equipment	610	–	610	511	–	511
Government grants	531	–	531	434	–	434
Gain on disposal of subsidiary	–	–	–	2,675	–	2,675
Realised gain on financial derivative contract	–	–	–	584	–	584
Net change in fair value of financial assets designated at fair value through profit or loss	–	–	–	8	–	8
Gain on disposal of other investments	–	–	–	4	–	4
Rental income on subleased properties	449	–	449	579	–	579
Others	274	*	274	(180)	–	(180)
	12,102	*	12,102	55,771	1,190	56,961

* Denotes amount < $1,000

25 OTHER EXPENSES

	2015			2014		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000
Net impairment losses on:						
– Intangible assets	1,253	–	1,253	1,309	–	1,309
– Other assets	2,249	–	2,249	1,930	–	1,930
– Property, plant and equipment	8,134	–	8,134	8,586	–	8,586
– Trade and other receivables	(239)	–	(239)	381	–	381
– Other investment	–	–	–	427	–	427
Amortisation of intangible assets	114	–	114	159	–	159
Employee benefits under profit-sharing plans	–	–	–	967	–	967
Pre-operating expenses of PTF project	1,164	–	1,164	1,125	–	1,125
Share-based payment transactions	–	–	–	280	–	280
Others	25	–	25	38	–	38
	12,700	–	12,700	15,202	–	15,202

26 FINANCE INCOME AND FINANCE COSTS

	2015			2014		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000
Interest income:						
– Cash and cash equivalent	124	–	124	225	–	225
Interest expense:						
– Bank overdrafts	(127)	–	(127)	(106)	–	(106)
– Bank loans	(10,829)	(29)	(10,858)	(10,118)	(125)	(10,243)
– Finance leases	(31)	–	(31)	(47)	–	(47)
– Trust receipts	(697)	–	(697)	(456)	–	(456)
– Unsecured notes	(2,012)	–	(2,012)	(2,550)	–	(2,550)
– Loan from a related corporation	(88)	–	(88)	(88)	–	(88)
– Others	–	–	–	(233)	–	(233)
Other interest expenses	7	–	7	(54)	–	(54)
	(13,777)	(29)	(13,806)	(13,652)	(125)	(13,777)
Net finance costs recognised in profit or loss	(13,653)	(29)	(13,682)	(13,427)	(125)	(13,552)

27 INCOME TAX EXPENSE

	Note	Group 2015 $'000	Group 2014 $'000
Current tax expense			
– Current year		248	565
– Under provided in prior years		50	2
		298	567
Deferred tax expense			
Origination and reversal of temporary differences	21	(47)	408
Tax expense on continuing operations		251	975
Reconciliation of effective tax rate			
(Loss)/profit before tax from continuing operations		(9,282)	32,149
Tax calculated using Singapore tax rate of 17% (2014: 17%)		(1,578)	5,465
Income not subject to tax		(2,919)	(9,615)
Expenses not deductible for tax purposes		3,391	3,198
Utilisation of prior years tax losses brought forward		(54)	–
Utilisation of current year tax losses		(314)	–
Deferred tax assets not recognised		1,675	1,925
Under provided in prior years		50	2
		251	975

The following temporary differences have not been recognised:

	Group 2015 $'000	Group 2014 $'000
Unutilised tax losses	79,530	69,993

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 (LOSS)/PROFIT FOR THE YEAR

The following items have been included in arriving at (loss)/profit for the year:

	2015			2014		
	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000	Continuing operations $'000	Discontinued operation (note 16) $'000	Total $'000
Audit fees paid/payable to auditors of the Company	280	–	280	345	5	350
Amortisation of intangible assets	114	–	114	159	–	159
Non-audit fees paid to auditors of the Company	231	–	231	36	–	36
(Reversal of)/allowance for write-down of inventories	(338)	–	(338)	857	–	857
Contributions to defined contribution plans included in staff costs	541	–	541	490	–	490
Depreciation of property, plant and equipment	3,954	–	3,954	4,437	–	4,437
Foreign exchange loss	8	–	8	310	–	310
Operating lease expenses (net of amortisation in respect of deferred income amounting to $750,000 (2014: $695,000))	1,694	–	1,694	1,881	–	1,881
Staff costs	7,775	–	7,775	8,274	–	8,274

29 EARNINGS PER SHARE

Profit attributable to ordinary shareholders

The calculation of basic and diluted earnings per share at 31 December 2015 was based on loss attributable to ordinary shareholders of $5,659,000 (2014: profit of $12,909,000), and a weighted-average number of ordinary shares outstanding of 1,026,650,000 (2014: 1,026,650,000), calculated as follows:

	2015			2014		
	Continuing operations $'000	Discontinued operation $'000	Total $'000	Continuing operations $'000	Discontinued operation $'000	Total $'000
(Loss)/profit attributable to ordinary shareholders	(5,615)	(44)	(5,659)	12,294	615	12,909

	Group	
	2015 '000	2014 '000
Weighted-average number of ordinary shares		
Issued ordinary shares at 1 January, representing weighted-average number of ordinary shares during the year	1,026,650	1,026,650

In 2015 and 2014, diluted earnings per share are the same as basic earnings per share as the Group had 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.

The Group's key management personnel are entitled to basic remuneration plan such as salaries, bonuses and fees. In addition, a Controlling Shareholder and a Director of the Company is entitled to profit-sharing and share-based payments plan. The quantum of profit sharing is based on certain percentage of the Group's profit as stipulated in the profit-sharing plan and details of the share-based payments plan are disclosed in note 17 – Share Award Scheme.

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

	Group	
	2015	**2014**
	$'000	**$'000**
Short-term employee benefits	1,772	1,959
Post employment benefits (including contribution to Central Provident Fund)	83	92
Profit sharing plan payable to the Executive Chairman	–	967
Share-based payments	–	280
Directors' fees paid/payable to directors of the Group	176	216

Other transactions with key management personnel

		Group	
	Note	**2015**	**2014**
		$'000	**$'000**
Quasi-equity loans to a company where a director of the Company has a controlling interest	(i)	–	345
Loans from a company where a director of the Company has a controlling interest	(ii)	405	13,694
Loans from a related party	(iii)	3,975	37
Loan from a related company	(iv)	250	–
Interest paid/payable on unsecured fixed rate notes to a director of the Company	(v)	905	1,148

(i) The Company has an existing obligation to make available a shareholder's loan of up to an aggregate amount of $8 million to Carros Project Management Pte Ltd (CPM) to fund the joint venture entered into between the Company and BS Capital Pte Ltd (BSC).

(ii) Both the Company and BSC have an existing obligation to fund the joint venture entered into between the Company and BSC in relation to the Group's 51% owned subsidiary, EH Property & Investments Pte Ltd (EHPI), by way of shareholder's loan in proportion of 51%:49% based on respective party's shareholding interest in EHPI.

(iii) This relates to short term loans extended by BSC to the Company, details of which are disclosed in note 22.

(iv) This relates to a short term loan extended by CPM to the Company, details of which are disclosed in note 22.

(v) The interest paid/payable relates to the $30 million unsecured notes issued by the Company during financial year 2013, which had been fully repaid in October 2015.

From time to time, directors of the Group or their related entities may be involved in the Group's investing and financing activities.

All transactions with these related parties are on an arm's length basis, unsecured and repayable on demand as described in note 11 and 22.

30 RELATED PARTIES (CONT'D)

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. 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	
	2015	**2014**
	$'000	**$'000**
Management fee from subsidiaries	3,060	2,182
Interest income from subsidiaries	311	285
Interest expense paid to subsidiaries	305	198

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
Involve in conversion of waste plastic to usable liquid hydrocarbon fuel oil. This segment has yet to commence operation (see note 4).

(b) Recycling and refining of metals
Recycling and refining of metals, comprising the recycling, extraction and refining of Platinum Group Metals (PGM) and copper.

(c) Piling contracts, construction, rental and servicing of machinery
Relates to provision of piling, building and construction related engineering and technical services as well as rental and servicing of machinery.

(d) Trading of e-waste/metals
Trading of electronic waste (e-waste) and metals.

(e) Investment properties
Investment in properties for rental income and capital appreciation.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax and finance costs, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit before tax and finance costs 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.

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Plastics to fuel refining $'000	Recycling and refining of metals $'000	Piling contracts, construction, rental and servicing of machinery $'000	Trading of e-waste/ metals $'000	Investment properties $'000	Investment properties (Discontinued operation) $'000	Total $'000
2015							
External revenue	–	36,098	35,754	23,171	18,457	52	113,532
Inter-segment revenue	–	18,716	–	9,978	1,878	–	30,572
Depreciation of property, plant and equipment	(115)	(232)	(2,362)	(83)	(426)	–	(3,218)
Amortisation of intangible assets	(114)	–	–	–	–	–	(114)
Property, plant and equipment written off	–	(8)	–	–	(15)	–	(23)
Gain on disposal of property, plant and equipment	–	–	610	–	–	–	610
Reportable segment (loss)/ profit before tax and finance costs	(12,262)	(251)	99	1,192	20,210	(12)	8,976
Other material non-cash items:							
– Reversal of allowance for write-down of inventories	–	316	–	22	–	–	338
– Amortisation of deferred income	–	622	–	–	–	–	622
– Impairment losses on property, plant and equipment	(7,555)	–	(579)	–	–	–	(8,134)
– Impairment losses on intangible assets	(1,253)	–	–	–	–	–	(1,253)
– Impairment losses on other assets	(2,249)	–	–	–	–	–	(2,249)
– Reversal of/(allowance for) impairment losses on trade and other receivables	–	241	–	–	(2)	–	239
– Fair value gain in investment properties	–	–	–	–	10,238	–	10,238
Reportable segment assets	420	7,020	31,931	1,364	567,124	–	607,859
Capital expenditure	–	170	745	30	362	–	1,307
Reportable segment liabilities	5,622	21,805	20,719	7,046	431,957	–	487,149

31 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Plastics to fuel refining $'000	Recycling and refining of metals $'000	Piling contracts, construction, rental and servicing of machinery $'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)
Property, plant and equipment written off	–	(34)	–	–	–	–	(34)
Gain on disposal of property, plant and equipment	–	–	511	–	–	–	511
Reportable segment (loss)/ profit before tax and finance costs	(11,496)	(7,496)	2,567	2,991	65,045	1,205	52,816
Other material non-cash items:							
– Allowance for write-down of inventories	–	(722)	–	(135)	–	–	(857)
– Amortisation of deferred income	–	577	–	–	–	–	577
– Impairment losses on property, plant and equipment	(6,748)	(2,357)	519	–	–	–	(8,586)
– Impairment losses on intangible assets	(1,309)	–	–	–	–	–	(1,309)
– Impairment losses on other assets	(1,930)	–	–	–	–	–	(1,930)
– Impairment losses on other investment	–	(427)	–	–	–	–	(427)
– Impairment losses on trade and other receivables	–	(234)	–	(82)	(65)	–	(381)
– Fair value gain in 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

31 OPERATING SEGMENTS (CONT'D)

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

	2015 $'000	2014 $'000
Revenue		
Total revenue for reportable segments	144,104	118,442
Revenue for other segments	651	1,306
Elimination of inter-segment revenue	(30,572)	(11,190)
Elimination of discontinued operation	(52)	(219)
Consolidated revenue	114,131	108,339
Profit or loss		
Total profit for reportable segments before tax and finance costs	8,976	52,816
Elimination of inter-segment loss	31	126
Elimination of discontinued operation	12	(1,205)
Unallocated amounts:		
– Other corporate expenses	(18,301)	(19,588)
Consolidated (loss)/profit before tax from continuing operations	(9,282)	32,149
Assets		
Total assets for reportable segments	607,835	609,082
Joint venture	24	24
Other unallocated amounts	21,078	21,211
Consolidated total assets	628,937	630,317
Liabilities		
Total liabilities for reportable segments	487,149	485,236
Other unallocated amounts	45,989	39,286
Consolidated total liabilities	533,138	524,522

31 OPERATING SEGMENTS (CONT'D)

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2015			
Amortisation of deferred income	622	128 [a]	750
Amortisation of intangible assets	(114)	–	(114)
Capital expenditure	1,307	47 [a]	1,354
Depreciation of property, plant and equipment	(3,218)	(736)[a]	(3,954)
Fair value gain in investment properties	10,238	–	10,238
Finance costs	(11,284)	(2,522)[a]	(13,806)
Finance income	14	110 [a]	124
Gain on disposal of property, plant and equipment	610	–	610
Impairment losses on intangible assets	(1,253)	–	(1,253)
Impairment losses on other assets	(2,249)	–	(2,249)
Impairment losses on property, plant and equipment	(8,134)	–	(8,134)
Property, plant and equipment written off	(23)	–	(23)
Reversal of allowance for write-down of inventories	338	–	338
Reversal of impairment losses on trade and other receivables	239	–	239
2014			
Allowance for write-down of inventories	(857)	–	(857)
Amortisation of deferred income	577	116 [a]	693
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)
Fair value gain in investment properties	52,346	–	52,346
Finance costs	(11,025)	(2,752)[a]	(13,777)
Finance income	2	223 [a]	225
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 on other investment	(427)	–	(427)
Impairment losses on trade and other receivables	(381)	–	(381)
Property, plant and equipment written off	(34)	(3)[a]	(37)

[a] Other unallocated amounts.

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 [1] $'000
2015		
Singapore	102,698	593,199
Hong Kong and China	8,294	–
Europe	2,040	1
Malaysia	720	–
Other countries	379	–
	114,131	593,200
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

[1] Non-current assets consist of property, plant and equipment, trade receivables, intangible assets, investment properties, joint venture and other investments.

Major customer

In 2015, revenue from a customer of the piling, contracts, construction, rental and servicing of machinery business segment and a customer of the recycling and refining of metals business segment represent approximately 22% (2014: Nil) and 14% (2014: 17%) of the Group's revenue, respectively.

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.

32 FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (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.

The carrying amounts 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	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Contractors	5,195	8,742	–	–
Developer	7,613	–	–	–
Traders	1,895	2,421	–	–
Tenants	56	149	–	–
Others	3,430	4,646	52,971[1]	48,520[1]
	18,189	15,958	52,971	48,520

[1] Mainly relates to amounts due from subsidiaries.

32 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

The Group's most significant customer, a developer, accounts for $7,613,000 of the loan and receivables carrying amount at 31 December 2015. In last financial year, there was no significant concentration of credit risk due to the Group's many other varied customers. The Company's amount due from subsidiaries collectively accounted for 99.5% (2014: 99.8%) of total loan and receivables.

Impairment losses

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

	Gross 2015 $'000	Impairment 2015 $'000	Gross 2014 $'000	Impairment 2014 $'000
Group				
Not past due	13,452	92	15,366	130
Past due 0 – 30 days	3,627	–	360	23
Past due 31 – 120 days	396	11	236	–
Past due 121 – 365 days	769	106	5,447	5,371
More than one year	342	188	547	474
	18,586	397	21,956	5,998
Company				
Not past due	72,494	19,523	68,043	19,523

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

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
At 1 January		5,998	5,609	19,523	6,935
(Reversal of)/allowance for impairment losses - net	25	(239)	381	–	12,588
Amounts written off		(5,381)	–	–	–
Translation difference		19	8	–	–
At 31 December		397	5,998	19,523	19,523

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.

32 FINANCIAL INSTRUMENTS (CONT'D)

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 on an on-going basis and maintains a level of cash and cash equivalents supplemented by various short term bank facilities deemed adequate by management to fund the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2015, the Group's current liabilities exceeded its current assets by $41,299,000. Such net current assets deficit mainly resulted from the accumulated working capital deficit within recycling and refining of metals and trading of e-waste/metals segments. In addition, the net current liabilities position is due to the mismatching between maturity of liabilities and realisation of assets within the investment property segment.

The liquidity requirements of the Group are expected to be met from the proceeds of the disposal of a leasehold property (see note 37), cash inflows from operating activities, extension/renewal of existing banking facilities, and continued financial support from the major shareholder of the Company. In this regard, the major shareholder of the Company has indicated in writing his continued financial support to the Group at least for the next twelve months from the date of these financial statements to enable the Group to continue to trade and to meet its obligations.

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

		Cash flows			
Group	**Carrying amount $'000**	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
31 December 2015					
Non-derivative financial liabilities					
Variable interest rate loans	417,665	(503,018)	(23,466)	(352,381)	(127,171)
Finance lease liabilities	1,235	(1,297)	(480)	(817)	–
Bank overdrafts	3,042	(3,201)	(3,201)	–	–
Trust receipts	26,010	(26,172)	(26,172)	–	–
Trade and other payables*	83,499	(83,598)	(37,525)	(46,073)	–
	531,451	(617,286)	(90,844)	(399,271)	(127,171)
31 December 2014					
Non-derivative financial liabilities					
Unsecured 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)

* Excludes deferred income

32 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Company	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
31 December 2015					
Non-derivative financial liabilities					
Variable interest rate loan	30,000	(33,170)	(1,615)	(31,555)	–
Trade and other payables	25,180	(25,503)	(25,503)	–	–
Intra-group financial guarantees	–	(361,571)	(36,758)	(273,550)	(51,263)
	55,180	(420,244)	(63,876)	(305,105)	(51,263)
31 December 2014					
Non-derivative financial liabilities					
Unsecured 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)

The maturity analysis show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. Except for 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.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group Nominal amount 2015 $'000	Group Nominal amount 2014 $'000	Company Nominal amount 2015 $'000	Company Nominal amount 2014 $'000
Fixed rate instruments				
Financial assets	1,203	1,203	16,686	14,576
Financial liabilities	(5,632)	(35,392)	(17,006)	(43,729)
	(4,429)	(34,189)	(320)	(29,153)
Variable rate instruments				
Financial assets	2,979	2,831	202	391
Financial liabilities	(446,967)	(416,733)	(30,250)	–
	(443,988)	(413,902)	(30,048)	391

32 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

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 2014.

	Profit or loss	
Group	**100 bp increase $'000**	**100 bp decrease $'000**
2015		
Variable interest rate loans	(4,440)	4,440
2014		
Variable interest rate loans	(4,139)	4,139

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 Singapore dollar (SGD), United States dollar (USD), Euro (EUR) and 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				
2015				
Trade and other receivables	1,188	180	650	–
Cash and cash equivalents	1,607	310	47	1
Loans and borrowings	(10,335)	–	–	–
Trade and other payables	(181)	(515)	(90)	(33)
Net statement of financial position exposure	(7,721)	(25)	607	(32)
2014				
Trade and other receivables	1,135	122	120	–
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)

32 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk (cont'd)

	USD $'000	THB $'000
Company		
2015		
Trade and other receivables	11	–
Other investments	–	81
Trade and other payables	–	(49)
Net statement of financial position exposure	11	32
2014		
Other investments	–	81
Net statement of financial position exposure	–	81

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 the impact of forecasted sales and purchases. The analysis is performed on the same basis for 2014.

	Profit/(loss) before tax	
	Group $'000	Company $'000
31 December 2015		
SGD	(772)	–
USD	3	(1)
EUR	(61)	–
THB	3	(3)
31 December 2014		
SGD	(947)	–
USD	(21)	–
EUR	16	–
THB	8	(8)

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 equity investments designated at fair value through profit or loss, no sensitivity analysis is performed as they had been mostly impaired (see note 10).

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair value			
	Note	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 2015										
Financial assets not measured at fair value										
Cash and cash equivalents	14	–	–	4,182	–	4,182				
Other investments	10	5,512	*	–	–	5,512				
Loans and receivables	11	–	–	18,189	–	18,189				
		5,512	*	22,371	–	27,883				
Financial liabilities not measured at fair value										
Loans and borrowings	20	–	–	–	(447,952)	(447,952)	–	(447,952)	–	(447,952)
Trade and other payables^	22	–	–	–	(83,499)	(83,499)				
		–	–	–	(531,451)	(531,451)				
31 December 2014										
Financial assets not measured at fair value										
Cash and cash equivalents	14	–	–	4,034	–	4,034				
Other investments	10	5,512	*	–	–	5,512				
Loans and receivables	11	–	–	15,958	–	15,958				
		5,512	*	19,992	–	25,504				
Financial liabilities not measured at fair value										
Loans and borrowings	20	–	–	–	(447,728)	(447,728)	–	(447,728)	–	(447,728)
Trade and other payables^	22	–	–	–	(69,933)	(69,933)				
		–	–	–	(517,661)	(517,661)				

* Denotes amount < $1,000
^ Excludes deferred income

32 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

		Carrying amount					Fair value			
	Note	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 2015										
Financial assets not measured at fair value										
Cash and cash equivalents	14	–	–	202	–	202				
Other investments	10	5,512	*	–	–	5,512				
Loans and receivables	11	–	–	52,971	–	52,971				
		5,512	*	53,173	–	58,685				
Financial liabilities not measured at fair value										
Loans and borrowings	20	–	–	–	(30,000)	(30,000)	–	(30,000)	–	(30,000)
Trade and other payables	22	–	–	–	(25,180)	(25,180)				
		–	–	–	(55,180)	(55,180)				
31 December 2014										
Financial assets not measured at fair value										
Cash and cash equivalents	14	–	–	391	–	391				
Other investments	10	5,512	*	–	–	5,512				
Loans and receivables	11	–	–	48,520	–	48,520				
		5,512	*	48,911	–	54,423				
Financial liabilities not measured at fair value										
Loans and borrowings	20	–	–	–	(30,000)	(30,000)	–	(30,000)	–	(30,000)
Trade and other payables	22	–	–	–	(16,342)	(16,342)				
		–	–	–	(46,342)	(46,342)				

* Denotes amount < $1,000

32 FINANCIAL INSTRUMENTS (CONT'D)

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 respective methods mentioned below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 were based on market values (i.e. market comparison approach), being the estimated amount for which a plant and machinery 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.

Investment properties and investment property held for sale

External, independent valuation company, ECG Consultancy Pte Ltd, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, valued the Group's strata units at 63 Hillview Avenue, Singapore 669569 and the commercial property at 1 Selegie Road, Singapore 188306. The fair values were 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 was based on price per square foot for the buildings derived from observable market data from an active and transparent market.

Investments in equity securities

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

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 a related party is determined by reference to the amortised cost of the probable specified payments required to reimburse the holder for the loss it incurs as a result of the subsidiaries and/or related party's failure to meet payment when due in accordance with the original or modified terms of a debt instrument. Management of the Group has determined that probability of default by its subsidiaries and/or related party was remote and immaterial at year-end.

33 MEASUREMENT OF FAIR VALUES (CONT'D)

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 2015				
Investment properties	–	–	562,610	562,610
Cranes and piling plant and machinery	–	–	10,099	10,099
31 December 2014				
Investment properties	–	–	551,900	551,900
Disposal group held for sale	–	–	2,824	2,824
Cranes and piling plant and machinery	–	–	10,509	10,509

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair values measurements of investment properties classified under recurring fair value measurement.

	Investment properties $'000
Group	
Balance at 1 January 2014	506,000
Additions (renovation)	554
Gains for the period:	
Changes in fair value – Other income – Unrealised	52,346
Reclassified to asset held for sale (note 6)	(7,000)
Balance at 31 December 2014	551,900
Additions (renovation)	472
Gains for the period:	
Changes in fair value – Other income – Unrealised	10,238
Balance at 31 December 2015	562,610

33 MEASUREMENT OF FAIR VALUES (CONT'D)

Significant unobservable inputs

Investment properties (including investment property classified as disposal group held for sale) 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 were higher/(lower);
- lease terms were longer; and
- size discount for strata units were lower.

The carrying amounts of the financial assets and liabilities of the disposal group held for sale approximate their fair values due to their short period to maturity or due to them bearing variable interest rates.

34 COMMITMENTS

	Group	
	2015 **$'000**	**2014** **$'000**
(a) Capital commitments not provided for in the financial statements (excluding commitments disclosed in note 35(ii)):		
– contracted but not provided for	–	345
(b) Non-cancellable operating leases payable:		
– Within 1 year	2,679	2,036
– After 1 year but within 5 years	2,159	2,875
	4,838	4,911
(c) Non-cancellable operating lease rentals receivable:		
– Within 1 year	17,258	17,131
– After 1 year but within 5 years	29,948	31,357
	47,206	48,488

The Group leases a number of office and warehouse premises under operating leases. One of the operating leases arose from a sale and leaseback transaction as explained in note 22. This lease 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.

35 CONTINGENT LIABILITIES

(i) The Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to $489,689,000 (2014: $481,079,000), of which the amount utilised at 31 December 2015 was $361,571,000 (2014: $302,573,000). The periods in which the financial guarantees will expire are as follows:

	2015 **$'000**	**2014** **$'000**
Within 1 year	36,758	168,478
After 1 year but within 5 years	273,550	129,781
After 5 years	51,263	4,314
	361,571	302,573

(ii) In 2012, the Company formed a joint-venture company with BSC, 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 BSC will hold 12.5% and 87.5% interests, respectively, in an intermediate holding company, CPM, which will contribute 80% of capital to the project. The remaining 20% of capital of the project will be contributed by other parties.

35 CONTINGENT LIABILITIES (CONT'D)

The Group has contributed $125 in equity capital to the joint-venture. According to the terms of the SA, the Company is committed to providing up to $8 million interest free shareholder's loan to CPM. As at 31 December 2015, shareholder's loan disbursed by the Company to CPM amounted to $5.51 million (2014: $5.51 million), which was recorded as other investments and classified as financial assets available-for-sale. In addition, the Company is obligated to provide an indemnity to BSC for an amount up to $45.94 million in relation to BSC's $367.52 million corporate guarantee provided to bankers for bank loans relating to the property development project. The amount represents the Group's 12.5% share of the corporate guarantee provided by BSC.

36 DISPOSAL OF SUBSIDIARIES

(i) Disposal of QF10 Pte Ltd (QF10)

In December 2014, the management had committed to dispose QF10. On 9 February 2015, the immediate holding company of QF10, QF Properties Pte Ltd, entered into a shares sales agreement (SSA) to disposed 100% of its shareholding in QF10 for a cash consideration of $2,777,000. The disposal was completed in April 2015 and thereafter QF10 ceased to be a subsidiary of the Group.

The disposal of QF10 had the following effect on the Group's assets and liabilities on the disposal date:

	2015 **$'000**
Net assets disposed off	2,778
Gain on disposal	–
Consideration received, satisfied in cash	2,778
Cash and cash equivalent disposed of	(1)
Net cash inflows from the disposal	2,777
Cash deposit received in 2014	(350)
Net cash inflow from the disposal in 2015	2,427

(ii) Disposal of HCG Environment Pte Ltd (HCG)

On 30 June 2014, the Company's subsidiary, HLS Electronics Pte Ltd has entered into a SSA to dispose 100% of its shareholding in HCG for a cash consideration of $4,892,000. The disposal was completed in July 2014 and thereafter HCG ceased to be the subsidiary of the Group.

The disposal of HCG had the following effect on the Group's assets and liabilities on the disposal date:

	2014 **$'000**
Net assets disposed off	2,217
Gain on disposal (Note 24)	2,675
Consideration received, satisfied in cash	4,892
Cash and cash equivalent disposed of	(53)
Net cash inflows from the disposal	4,839

37 SUBSEQUENT EVENT

Subsequent to the year end, the Group received an offer from a third party to purchase its leasehold property at 99 Tuas Bay Drive for $23,500,000. The leasehold property is held by the Company's 39% indirectly owned subsidiary, Enviro Property Pte Ltd. The board has approved the proposed sale.

The sale and purchase agreement is being finalised between the Group and the third party with sale completion expected in 2016.

Statistics of Shareholdings

As at 15 March 2016

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 15 March 2016.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	69	3.94	1,177	0.00
100 – 1,000	87	4.96	65,007	0.01
1,001 – 10,000	502	28.64	3,055,363	0.30
10,001 – 1,000,000	1,034	58.98	108,942,253	10.61
1,000,001 AND ABOVE	61	3.48	914,586,398	89.08
TOTAL	1,753	100.00	1,026,650,198	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	HONG LEONG FINANCE NOMINEES PTE LTD	200,464,800	19.53
2	NG AH HUA	196,518,020	19.14
3	SEOW BAO SHUEN	82,838,025	8.07
4	CITIBANK NOMINEES SINGAPORE PTE LTD	57,273,330	5.58
5	SU MING TONG	51,841,076	5.05
6	HUANG YUZHU	45,500,000	4.43
7	UNG YOKE HOOI	35,960,000	3.50
8	CHEW GHIM BOK	32,238,333	3.14
9	TAN TAI KIM	24,437,500	2.38
10	BANK OF SINGAPORE NOMINEES PTE. LTD.	15,035,554	1.46
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	12,251,966	1.19
12	LOW CHIN KWEE	11,912,000	1.16
13	UOB KAY HIAN PRIVATE LIMITED	10,207,198	0.99
14	NG CHUEN GUAN	9,959,349	0.97
15	ONG CHEE KANG	8,195,625	0.80
16	LOW HWEE THENG	7,987,000	0.78
17	CHEN HO-CHING	7,281,554	0.71
18	DBS NOMINEES (PRIVATE) LIMITED	5,993,027	0.58
19	NG SOK ENG	5,480,000	0.53
20	TAM CHEE CHONG	5,455,000	0.53
	TOTAL	826,829,357	80.52

Statistics of Shareholdings

As at 15 March 2016

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2016

(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	196,518,020	200,000,000 [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	51,841,076	2,553,333 [3]	2,201,000*	56,595,409	5.51

Notes:

(1) This represents Mr Ng Ah Hua's direct interests of:-
a. 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. 2,553,333 shares held in the name of UOB Kay Hian Pte Ltd.

* This represents his deemed interest held through spouse.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on the information provided to the Company as at 15 March 2016, approximately 39.94% 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 18th Annual General Meeting of the Enviro-Hub Holdings Ltd (the "Company") will be held at 3 Tuas Avenue 2, Singapore 639443 on Thursday, 28 April 2016 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 2015, Directors' Statement and Report of the Auditors thereon. **(Resolution 1)**

2. To approve Directors' fees of S$176,000 for the financial year ending 31 December 2016, payable quarterly in arrears. (2015 : S$176,376) **(Resolution 2)**

3. To re-elect the following Directors who are retiring in accordance with the Company's Articles of Association:-

   (a) Mr Ng Ah Hua, Raymond (retiring under Article 107) **(Resolution 3)**

   (b) Mr Tan Kok Hiang (retiring under Article 107) **(Resolution 4)**

   Mr Tan Kok Hiang will, upon re-election as a Director of the Company, remains as the Chairman 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 Note]

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 ("**SGX-ST**"), 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, 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 2016 ("**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 Listing Manual of the SGX-ST of 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)**

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)**

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 2016

Explanatory Notes

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 Tan Kok Hiang and Mr Ng Ah Hua, Raymond are set out in the section entitled "Board of Directors" and Table 3 in the Corporate Governance Report of the Company's 2015 Annual Report.

There are no relationships (including immediate family relationships) between Mr Tan Kok Hiang and the other directors of the Company.

Mr Ng Ah Hua, Raymond is the executive Chairman and controlling shareholder of the Company. There are no relationships (including immediate family relationships) between Mr Ng Ah Hua, Raymond and the other directors of the Company.

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 is:-

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 2016 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 2016.

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 2016.

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.

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) Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Relevant intermediary is either:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

(b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

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

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

(5) An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

(6) 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.

(7) **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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take over 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 or service providers), 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 or service providers) 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.

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

Proxy Form

IMPORTANT:
1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees 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.

*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 18th Annual General Meeting ("AGM") of the Company to be held at 3 Tuas Avenue 2, Singapore 639443 on Thursday, 28 April 2016 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:-

	Ordinary Resolutions	For	Against
1.	To receive and consider the Audited Financial Statements for the financial year ended 31 December 2015, the Directors' Statement and the Report of the Auditors thereon.		
2.	To approve Directors' fees of S$176,000 for the financial year ending 31 December 2016, payable quarterly in arrears. (2015 : S$176,376)		
3.	To re-elect Mr Ng Ah Hua, Raymond (Retiring under Article 107)		
4.	To re-elect Mr Tan Kok Hiang (Retiring under Article 107)		
5.	To re-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 April 2016

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. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. Relevant intermediary is either:
   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
6. 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.
7. 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 81SF of the Securities Futures Act, Chapter 289 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.
8. 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 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. 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 72 hours before the time set for the Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2016.

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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