

NEW HORIZONS IN **MYANMAR**



Singapore Windsor Holdings Limited

Annual Report 2015



MISSION

To play an active and pioneering role in the modernization and growth of Myanmar

VISION

To develop a wide portfolio of businesses, managed to the highest professional and international standards. Breaking new ground in Myanmar for consumers, customers and our employees.

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Listed on the Main Board of the Singapore Stock Exchange, Singapore Windsor Holdings Limited adopts a diversified business model to enhance its long-term growth prospects. The Group has identified several growth catalysts in South East Asia's pioneer markets, specifically in Myanmar.

Capitalising on the underlying growth trends within Myanmar, the Group has ventured into various consumer-related and infrastructure-related business services.

OUR BUSINESS AND STRATEGIES



CONSTRUCTION SERVICES

With growing economic development in Myanmar and extensive infrastructures projects being planned, the country's construction sector is expected to grow rapidly.

To meet the rising construction needs, the Group's subsidiary, SMI Construction services, has a partnership with SANY International to market, distribute and service SANY equipment in Myanmar. Sany is a subsidiary of Sany Heavy Industry Co. Ltd, one of the world's leading industrial and heavy equipment manufacturing companies and it is listed on the Shanghai Stock Exchange.

More updates of the Group's progress in this business segment can be found in the Group's FY2015 results which was released on SGXnet on 27 May 2015.

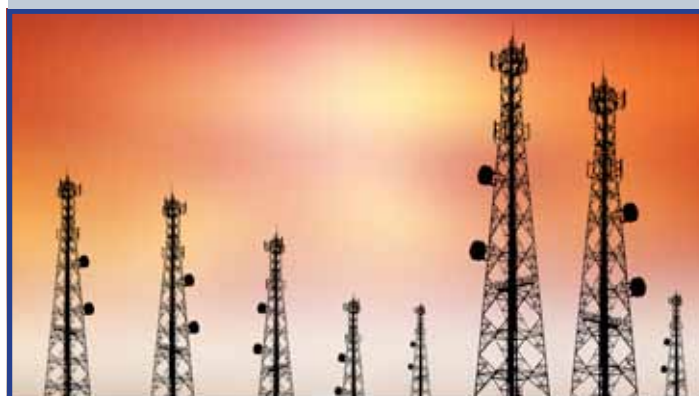


TELECOMMUNICATION INFRASTRUCTURE BUSINESS

Myanmar's telecommunications sector has opened up to foreign operators and capital over the past two years and the industry's growth trend continue to be promising for Asia's least developed telecommunications market.

To harness the opportunities in this industry, the Group established two subsidiaries, Myanmar Infrastructure Group ("MIG") and Myanmar Infrastructure Services Group ("MISG"). MIG's business objective is to become an owner and operator of telecommunication infrastructure, while MISG's strategy is to provide services to telecom operators and various segments of the telecom industry.

More updates of the Group's progress in this business segment can be found in the Group's announcement which was released on SGXnet on 7 May 2015.



SERVICED OFFICE BUSINESS

With the rising tide of foreign investment into Myanmar, the imbalance between supply and demand of office spaces in Yangon has culminated in the highest office rental rates within South-east Asia.

Recognising the business potential of this market, the Group established a joint venture with Arcc Offices Pte. Ltd., to set up and operate serviced offices as well as ancillary services in Myanmar. Starting from March 2015, the Group has commenced operations of serviced offices at the Hlendan Centre in Yangon, with a gross floor area of 1,350 square metres to support 260 work stations across 93 suites.



FOOD & BEVERAGE TRADING BUSINESS

The growing tourism and business activities in Myanmar have spurred an increasing demand of quality food imports and riding on this trend, the Group announced a joint venture, SMI F&B, with Quarto Products Pte. Ltd. to import food and beverage items from overseas suppliers into Myanmar.

More updates of the Group's progress in this business segment can be found in the Group's FY2015 results which was released on SGXnet on 27 May 2015.





DUTY-FREE RETAIL BUSINESS

In line with the strong market trend of inbound flights to Myanmar, the number of international travellers for leisure and business is forecast to grow rapidly. The new international terminal at Yangon is expected to handle three times the current passenger traffic volume of the existing terminal.

More updates of the Group's progress in this business segment can be found in the Group's announcements which were released on SGXnet in May 2015.



AUTOMOTIVE BUSINESS

Following the liberalisation of Myanmar's economy, there has been a strong growth in the economy and a significant rise in tourism flows, resulting in a strong demand for car hire and rental services.

More updates of the Group's progress in this business segment can be found in the Group's announcement which was released on SGXnet on 20 May 2015.



TELECOMMUNICATION EQUIPMENT SERVICES

Myanmar's telecommunications industry is evolving at a rapid pace as there is a significant amount of unfulfilled demand for equipment, sim cards and accessories related to information and communications technology.

Recognising this trend, the Group announced the establishment of the wholly-owned subsidiary, SMI Mobile Pte. Ltd., on 5 February 2015, to pursue the related business opportunities in this business segment.



CHAIRMAN'S STATEMENT



"Accumulating considerable local operating capabilities, business network and excellent knowledge of Myanmar, there is significant scope for the development of the Group's operational and business portfolio that will drive higher growth and better returns as we move ahead."

DEAR SHAREHOLDERS,

In my inaugural message to shareholders last year, I highlighted Singapore Windsor Holdings Limited's ("Singapore Windsor" or "the Group") new strategy of returning to growth and the clear priorities to drive value creation over the past 12 months.

We have built on the initial momentum to expand our business ambitions in Myanmar and I am pleased to share that we have made progress in unlocking this potential with various globally-recognised brands and companies.

Leading our charge in Myanmar is our newly appointed President and CEO, Mr Mark Bedingham, who joined us officially in January 2015. With deep industry experience and strong international business network, Mark has been a trailblazer in Asia's consumer marketing and branding industry for more than 30 years.

Indeed, his great energy, passion and diligence have been a source of motivation during this challenging transformative period. Developing best value-creating opportunities have been at the heart of Mark's work in the Group and he has quickly assembled a strong team of industry veterans and experienced professionals with a stellar operating track record in emerging markets.

To understand more insights of the underlying fundamentals of our growing business portfolio in Myanmar, I shall hand it to Mark to share more details over the next few pages.

Accumulating considerable local operating capabilities, business network and excellent knowledge of Myanmar, there is significant scope for the development of the Group's operational and business portfolio that will drive higher growth and better returns as we move ahead.

Growing Revenue from our Business Activities in Myanmar

For FY2015, the Group registered revenue of approximately HK\$45.4 million and gross profit of approximately HK\$5.0 million which were derived from the Group's new business activities in Myanmar. Notably, revenue of approximately HK\$41.9 million was generated from the trading and sales of Sany products to customers in Myanmar that started from June 2014, while revenue of approximately HK\$3.5 million relates to a rooftop telecom tower construction project for a Myanmar telecommunication provider.

The Group posted a loss (net of tax) of approximately HK\$46.4 million in relation with the business restructuring costs associated with our new business ventures in Myanmar as well as the loss from the discontinued operations of our printed circuit board ("PCB") business.

While the one-off financial impact of exiting from our non-performing PCB business segments was inevitable, we believe that the capital investment behind our business ventures in Myanmar will create a strong portfolio of high-growth consumer-related and infrastructure-related services.

Transformation Into a Myanmar-focused Conglomerate Underway

With the Group's proposed disposal of the entire interests of our wholly-owned subsidiaries, Windsor Holding Investments Limited and Windsor Metal Manufacture Co Limited, the Group's liabilities is expected to decrease by approximately HK\$193.5 million, thereby strengthening the Group's balance sheet and improve our overall liquidity position.

As the proposed disposal is at a price higher than the book value of both subsidiaries, this transaction will contribute positively to the Group's financial results in FY2016.

The proposed transaction is to be approved in the forthcoming EGM. And once approved, it will reinforce the Group's transformation into a Myanmar-focused conglomerate.

A Note of Thanks

On behalf of the Board of Directors, I wish to thank our employees for their dedicated efforts and for the way they have embraced our new business vision in Myanmar and culture of entrepreneurship.

To our business partners, we value your partnership and commitment as we seek to expand our business ventures in Myanmar to new levels of success.

We would also like to thank you our bankers and shareholders for your confidence and trust during this transformative journey. I would also like to take this opportunity to extend my heartfelt gratitude to my fellow Board members for their wise counsel and invaluable contributions.

In conclusion, I strongly believe the future ahead will be an exciting journey for us all and while we made considerable progress in FY2015, there is still much to be done to unlock the Group's full potential in Myanmar.

Thank You!

HO KWOK WAI

Non-Executive Chairman

CEO'S MESSAGE



"The business prospects based on the businesses that the Group has set up in Myanmar in the last quarter of FY2015 and the new business being established in the early part of FY2016 looks to hold much promise for the year ahead. "

DEAR SHAREHOLDERS,

In the last quarter of FY2015, **Singapore Windsor Holdings Limited** ("Singapore Windsor" or "the Group") has made a confident start on our announced new strategy of focused business development in Myanmar, which saw a great deal of activity across the range of new businesses that the Group has started to develop.

The Group's subsidiary **Myanmar Infrastructure Group Pte. Ltd. ("MIG")** participated in the joint tender launched by Telenor Myanmar and Ooredoo Myanmar, a tender that was eventually suspended and subsequently cancelled by both telecom operators, however this experience provided MIG with excellent preparation in the new tender launched by Ooredoo Myanmar in March 2015. An agreement to build-and-lease 500 telecommunication towers has been signed recently.

The Group has completed the setting up of a joint venture, **SMI F&B Pte Ltd**, with Quarto Products Pte. Ltd. ("Quarto Products"), which will allow us to participate in the growth of the hotel and restaurant market within Myanmar's F&B industry. Boosted by two senior managers seconded to this joint venture, our Group can also leverage on Quarto Products' distribution network in Myanmar to accelerate the development and growth of this joint venture.

In FY2015, we established a **joint venture with Arcc Offices Pte. Ltd.** to manage and operate premium service offices in Yangon and I am pleased to advise that in March 2015, we have commenced business operations at the Hledan Centre in Yangon, with a gross floor area of 1,350 square metres to support 260 work stations across 93 suites.

Separately, much work has been done with the Yangon International Airport ("YIA") and Naypyidaw Airport management company to tie-up with a major duty free operator in order for the Group's subsidiary, **SMI Retail Pte. Ltd.** to take over and develop the retail space and management of all the duty free operations at these airports, including the duty free concessions at the new terminal at YIA. These discussions were successfully concluded in May 2015.

The Group has made every effort to strengthen the management team supporting the **SANY** construction equipment agency and the confirmation from the manufacturer that our construction subsidiary has the representation of the full portfolio was highly welcomed. This business segment will be well positioned to take advantage of the development of construction and infrastructure activities in Myanmar.

In FY2015, we began discussions with Europe's leading **car rental** company, Europcar, for a sole franchise agreement for Myanmar and this was successfully concluded recently. Promising opportunities have been identified across a range of customer categories that will include international companies setting up in Myanmar, guests of international hotels and airport transfers.

The Group continues to look for **additional business opportunities** in Myanmar, particularly those that could quickly become cash generative and sustainable.

Organisation – We have been fortunate enough to be able to quickly develop a management team that blends a number of well-experienced executives with a highly motivated and well-educated team of younger executives. Each new business is being managed and operated by a highly experienced professional in that field.

UPDATES

The business prospects based on the businesses that the Group has set up in Myanmar in the last quarter of FY2015 and the new business being established in the early part of FY2016 looks to hold much promise for the year ahead.

As noted above, an agreement with Ooredoo Myanmar was signed, in May 2015, to build-and-lease 500 telecommunication towers. An experienced group of industry professionals has been assembled to manage and fulfil this contract, which will be rolled out over a 18-month period, starting from 1st July 2015.

The agreement with Europcar was reached in May 2015. A well-experienced general manager has been appointed and a comprehensive vehicle fleet will soon be available to leading international companies, hotels and at YIA.

In our duty-free retail business segment, I am pleased to advise that discussions were successfully concluded in May 2015 with the signing of a long term supply agreement with DFS, the world's leading travel retailer.

These updates confirm our ability to conclude agreements with a number of major international companies. This will have a profoundly positive impact for the Group as we reshape our business model to develop a significant asset base as well as positive income flow.

MARK BEDINGHAM

Executive Director, President and Chief Executive Officer



MILESTONES

13 SEPTEMBER 2013

Mr. Ho Kwok Wai acquires 90.4 million shares at S\$0.18 per share from President Group Limited. This stake represents approximately 73.86% shareholding in Singapore Windsor Holdings Limited and on the same day, Mr. Ho announces a mandatory unconditional cash offer at S\$0.18 per share.

4 DECEMBER 2013

Entered into a sale and purchase agreement with an unrelated third party to dispose the Group's loss-making silicon manganese business for HK\$45 million.

7 MARCH 2014

Completion of the disposal of the silicon manganese business.

7 NOVEMBER 2013

Announces share placement exercise of 24.48 million shares at S\$0.22 per placement share.

7 FEBRUARY 2014

Approval obtained at the Extraordinary General Meeting to dispose of the silicon manganese business.

25 JULY 2014

Appointment of senior executive with extensive business and emerging market development experience, Mr. Mark Bedingham, as the Group's new President and Chief Executive Officer with effect from January 2015.

27 NOVEMBER 2013

Share placement exercise successfully completed with an estimated net proceeds of S\$5.0 million.

4 MARCH 2014

Announces proposed diversification of the Group's business presence in South East Asia, specifically in Myanmar.

23 MARCH 2015

Proposed disposal of Windsor Holding Investments Ltd. and Windsor Metal Manufacture Co Ltd

OUR PROGRESS IN MYANMAR IN FY2015

MAY 2014

The Group announced that it has entered into a joint venture and shareholders agreement with Golden Infrastructure Group Limited, an unrelated third party, to pursue business opportunities in Myanmar's telecommunication infrastructure sector.

JANUARY 2015

The Group announced a joint venture with Quarto Products Pte. Ltd., an unrelated third party, for the purpose of importing food and beverage items from overseas suppliers into Myanmar for onward sale to certain businesses in Myanmar.

JULY 2014

The Group announced that it has entered into a joint venture with ARCC Offices Pte. Ltd., an unrelated third party, to set up and operate serviced offices and to provide services which are related and ancillary to such serviced offices in Myanmar.

MARCH 2015

The Group's serviced office business venture started operating serviced offices at the Hlendan Centre in Yangon, with a gross floor area of 1,350 square metres to support 260 work stations across 93 suites.



BOARD OF DIRECTORS



HO KWOK WAI

Mr. Ho was re-designated from Chairman of the Board and Executive Director of the Company to Non-Executive Chairman of the Board and Non-Executive Director on 23 January 2015. He is primarily responsible for spearheading the Group's corporate directions and strategies. Mr. Ho has more than 20 years of experience in the investment banking industry with a focus on mergers and acquisitions and capital raisings. He graduated from the Hong Kong Polytechnic University with a major in Management Accountancy.



MARK BEDINGHAM

Mr. Bedingham is our Executive Director, President and CEO and he was appointed on 23 January 2015. He is responsible for the Group's corporate plans, policies and business development as well as the general management of the Group's operations. He began his career with Jardine Matheson and held positions with various key divisions in Hong Kong, Malaysia and Japan before being appointed as a Director of Jardine Pacific. He joined LVMH Moët Hennessy • Louis Vuitton S.A. ("Moët Hennessy"), based in Hong Kong, in the mid-1990s as the Regional Managing Director of Asia Pacific. Spearheading the development of Moët Hennessy's business in China, he succeeded in growing the Chinese market into Moët Hennessy's largest global market. During his tenure, he also led an expansion of new subsidiaries in emerging markets across South East Asia, as well as Australia and New Zealand. Under his management, the Asia Pacific region became the largest contributor to Moët Hennessy's global business activities. Mr. Bedingham has also served, for nearly seven years, on the board of DFS, the world's largest travel retailer, and he is also a member of the Strategic Advisory Board of L Capital. During his time in Japan, he was appointed as a member of the Japanese Prime Minister's Administrative Reform Council and he was also elected as Chairman of the European Business Council in Japan. He graduated with a Master's degree in Agricultural and Forest Sciences from the School of Biological Sciences of Oxford University.



CHAN TAK SING MARTIN

Mr. Chan is our Executive Director (Finance and Administration) and was appointed on 6 May 2005. He has been with our Group since October 1997. He is responsible for managing and overseeing the financial and administrative matters of our Group. Prior to joining our Group, he worked as an accountant and assistant accounting manager with subsidiary of two listed companies in Hong Kong. He began his career at a local auditing firm in Hong Kong in 1994 before moving into the accounting field in 1996. He holds an Honours Diploma in Accountancy from Lingnan University (formerly Lingnan College) in Hong Kong and a Master of Finance degree from Curtin University of Technology in Australia.



FONG SING CHAK JACK

Mr. Fong is a Non-executive Director of our Group and was appointed on 6 November 2013. He is currently the sole proprietor of Messrs. Jack Fong & Co., a law firm in Hong Kong and has more than 20 years of experience in legal practice. He holds a Bachelor of Laws (Hons) Degree and a Post Graduate Certificate in Laws from the University of Hong Kong. Mr. Fong is a Notary Public.



WONG YEN SIANG

Mr. Wong is an Independent Director of our Group and was appointed on 15 July 2005. He is the Chairman of our Audit Committee. He holds a Bachelor of Commerce degree from the Nanyang University in Singapore and he started his career with a local bank. In his 20 years with the bank, he worked in various areas of responsibilities covering credit and marketing functions before pursuing new commercial opportunities in the automobile and engineering industries.



WEE SUNG LENG

Mr. Wee is an Independent Director of our Group and was appointed on 6 November 2013. He chairs our Remuneration and Nominating Committees. With more than 18 years of experience in the finance and banking sector from credit & marketing, corporate banking and investment banking. Mr. Wee has been actively involved in the origination, due diligence and execution of corporate finance transactions such as initial public offerings, reverse take-overs, share placements and rights issues and has been involved as independent financial advisors to listed companies in interested persons, delisting and general offer transactions. He holds a Bachelor of Accountancy Degree from the National University of Singapore.

KEY MANAGEMENT



LO CHI CHUNG ALAN

Mr. Lo was appointed on 16 Oct 2014 as our Senior Vice President, Corporate Development and he is responsible for the Group's corporate affairs and expanding our strategic business alliances. He had been working at various well-known financial institutions in Singapore and Hong Kong including Maybank Kim Eng Securities Pte Ltd, Deutsche Securities Asia Limited, Morgan Stanley Asia Limited among others. He has accumulated more than 20 years of capital markets experience and corporate finance-related knowledge. Mr. Lo holds a Master of Business Administration from the Columbia Business School in New York, NY, USA. During his course of studies at Columbia Business School, he was in the Dean's List as well as the Beta Gamma Sigma for his outstanding academic achievements. He also obtained a Bachelor in Electrical Engineering (cum laude) from Yale University, New Haven, CT, USA.

ANDREW SHEPHERD

Mr. Shepherd was appointed on 1 April 2014 as our Senior Vice-President, Finance & Business Development and he is responsible for the business development including financial structuring of the Group's portfolio of investments in Myanmar. Armed with a wealth of international corporate finance experience and with a strong commercial background in the emerging markets of Asia Pacific and the Middle East, he is a highly experienced Chief Financial Officer with a strong track record in various notable listed companies including the Jardine Matheson Group, Dairy Farm, Metro Pacific Investments Corporation among others where he was involved in various management roles which includes M&A, investor relations, business development and corporate finance. He is a Chartered Certified Accountant and he is a University of Edinburgh graduate with a Bachelor in Biological Sciences (Honours).

JOHN PIKE

Mr. Pike joined our Group as a legal adviser on 16 February 2015 and was appointed as General Counsel on 2 May 2015. He is responsible for all legal matters inside our Group. Mr. Pike was a Barrister with 12 years of experience, for the UK government, in the High court and around England and Wales in contract, fraud and a wide variety of civil law matters, then in various legal roles in Cambodia. He also published influential legal academic work. He is also expert in the shipping industry and in ship mortgage finance. He has advised a number of LDC governments in Asia and the Americas on shipping policy and the Cambodian government on fraud investigations. With his strong financial background, Mr. Pike has been part of the senior bank management with a major American bank, originating cross border transactions in capital projects for clients. As an experienced credit analyst in Europe and

Asia, he also managed a significant trading department in bonds, convertibles and equity derivatives with a focus in Japan, and advised major European investment institutions. Mr. Pike has been the head of Economic and Investment Research for a major European bank with a staff of 70 professionals in five major financial centers around the world advising on USD140 billion in assets. He is an Oxford University educated economist.

JAMES DE VILLIERS-SMITH

Mr. Villiers-Smith joined Myanmar Infrastructure Group Pte Ltd as Vice President, Operations on 1 December 2014 and was subsequently promoted to Chief Operations Officer. He is responsible for carrying out the strategic plan and day-to-day running of MIG Myanmar, by developing functional roles and assigning responsibilities to his employees. Mr. Villiers-Smith has over 30 years' of experience in the telecommunication and infrastructure industries. He held various senior management positions of Chief Technical Officer, Managing Director and Project Director operating predominantly in the African market. He is a well-rounded telecoms engineer in several technologies – GSM, CDMA, GPRS, vSat, AC/DC power and control systems and excels with start-up business in third world environments and emerging markets. Mr. Villiers-Smith started his telecommunication career as a Satellite design and planning engineer in South Africa. He is currently pursuing his Master of Business Administration education at The University of Cumbria (UK), offered in partnership with the Robert Kennedy Business School in Zurich, Switzerland. Mr. Villiers-Smith also has diplomas in Telecommunication and Advanced Project Management.

STEPHEN DENG

Mr. Deng was appointed as the Director of SMI Construction Services Pte Ltd and Procurement Director of Myanmar Infrastructure Group Pte Ltd on 10 April 2015. He is responsible for our development in the rapidly growing business of distribution of construction and mining machineries in Myanmar. Before joining our Group, Mr. Deng worked as the General Manager of Moët-Hennessy's newly established Winery in Shangri-La, Yunnan Province for 3 years and responsible for establishing the winery, vineyard and the team from scratch. He also worked as a senior manager for 3 years in Augus Partners, a Beijing Based boutique consulting companies focused on M&A and took key roles in major projects of renowned international companies like LVMH. Mr. Deng had more than 7 years of experience in renowned consulting companies including Cap Gemini, PricewaterHouse Coopers and Arthur Andersen. He has a master degree in Finance and is also a CFA Charter Holder.

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ho Kwok Wai

Non-Executive Chairman and Non-Executive Director

Mark Bedingham

Executive Director, President and Chief Executive Officer

Chan Tak Sing Martin

Executive Director

Fong Sing Chak Jack

Non-Executive Director

Wong Yen Siang

Independent Director

Wee Sung Leng

Independent Director

AUDIT COMMITTEE

Wong Yen Siang

Chairman

Wee Sung Leng

Fong Sing Chak Jack

NOMINATING COMMITTEE

Wee Sung Leng

Chairman

Wong Yen Siang

Fong Sing Chak Jack

REMUNERATION COMMITTEE

Wee Sung Leng

Chairman

Wong Yen Siang

Fong Sing Chak Jack

COMPANY SECRETARIES

Wee Woon Hong

Lee Hock Heng

COMPANY REGISTRATION NUMBER

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Tricor Barbinder Share Registration Services
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80 Robinson Road

#02-00

Singapore 068898

AUDITORS

RSM Chio Lim LLP

Certified Public Accountants

(a member of RSM International)

8 Wilkie Road #03-08

Wilkie Edge

Singapore 228095

Partner-In-Charge: **Goh Swee Hong**

(appointed in financial year ended 31 March 2015)

PRINCIPAL BANKERS

United Overseas Bank Limited

Hang Seng Bank Limited

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CORPORATE GOVERNANCE REPORT

Singapore Windsor Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are committed to maintaining high standards of corporate governance to protect the interests of our shareholders and enhance corporate accountability and transparency.

This report describes the Company’s corporate governance processes and activities with specific reference to the Code of Corporate Governance 2012 (the “Code”). The Company has complied substantially with the requirements of the Code and will continue to review its practices on an ongoing basis. Where there are deviations from the Code, appropriate explanations have been provided in this report or in other sections of this Annual Report which may be relevant to corporate governance. Please read this report together with those other sections of this Annual Report.

BOARD MATTERS

Principle 1: Board’s Conduct of Affairs

The primary function of the Board is to oversee the business affairs of the Group, approves the Group’s business strategies and financial objectives, and major investment and funding decisions. It also monitors and evaluates the Group’s operations and financial performance by establishing goals for Management and monitoring the achievement of these goals. It is responsible for the overall corporate governance of the Group.

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

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of directors for appointment to the Board and appointment of key personnel;
- announcement of half-year and full-year results, the annual report and accounts;
- material acquisitions and disposal of assets;
- all matters of strategic importance; and
- corporate governance.

The Board comprises of members with strong business credentials and or with industry knowledge, from various professions such as banking, accounting and legal. Two scheduled Board meetings are conducted in a year to review the financial performance and to update the Board on significant business activities and overall business environment. In addition to the scheduled meetings, the Board also holds ad-hoc meetings as and when required to address any significant issues that may arise.

The Articles of Association of the Company (the “Articles”) allow board meetings to be conducted by means of telephone conference, or other methods of simultaneous communication by electronic or other communication facilities. When a physical board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval.

Directors are updated regularly by the Company Secretary on the amendments and requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and other statutory and regulatory changes which have an important bearing on the Company and the Directors’ obligations to the Company, from time to time. Such new releases issued which are relevant to the Directors are circulated to the Board.

Newly appointed Directors are briefed by the Management on the business activities of the Group and its strategic directions. There are also orientation programs tailored to familiarise newly appointed Directors with the role and responsibilities of a Director of a public company in Singapore. First-time Directors will be provided training in areas such as accounting, legal and industry-specific knowledge as may be appropriate.

CORPORATE GOVERNANCE REPORT

Upon the appointment of a new Director, the Company would issue a formal letter of appointment setting out the statutory and other duties and obligations of the Director.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as Singapore Exchange Securities Trading Limited ("SGX-ST") and Singapore Institute of Directors.

A number of Directorship changes occurred in the course of the financial year under review:-

1. Mr Ho Kwok Wai was re-designated from Chairman of the Board and Executive Director of the Company to Non-Executive Chairman of the Board and Non-Executive Director on 23 January 2015;
2. Mr Mark Francis Bedingham was appointed as an Executive Director of the Company, President and Chief Executive Officer ("CEO") of the Company with effect from 23 January 2015.

Following the above-mentioned change, the new composition of the Board is as follows:

Mr Ho Kwok Wai, Non-Executive Chairman
 Mr Mark Francis Bedingham, Executive Director, President and Chief Executive Officer
 Mr Chan Tak Sing Martin, Executive Director
 Mr Fong Sing Chak Jack, Non-Executive Director
 Mr Wee Sung Leng, Independent Director
 Mr Wong Yen Siang, Independent Director

The attendance of directors at the Board and committee meetings for the financial year ended 31 March 2015 ("FY2015") are as follows:-

| Types of Meetings Directors | Board | Audit Committee | Nominating Committee | Remuneration Committee |
|--|-------------------------|-----------------|----------------------|------------------------|
| | Number of Meetings held | | | |
| Ho Kwok Wai | 6 | 4 | 2 | 2 |
| Chan Tak Sing Martin | 6 | – | – | – |
| Fong Sing Chak Jack | 6 | 4 | 2 | 2 |
| Wong Yen Siang | 6 | 4 | 2 | 2 |
| Wee Sung Leng | 6 | 4 | 2 | 2 |
| Mark Francis Bedingham (appointed on 23 January 2015) | 2 | – | – | – |

Three Committees have been established to assist the Board in discharging its duties and responsibilities and to enhance the Group's corporate governance framework. The Committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). The Board also delegates certain of its functions to these Committees, which would make recommendations to the Board. These Committees, which operate within clearly defined terms of reference, play an important role in ensuring good corporate governance in the Company and within the Group. These terms of reference are reviewed on a regular basis to ensure their continued relevance.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

The Board comprises six Directors, two of whom are Independent Directors. The Directors at the date of this report are as follows:–

| Name of Directors | Board of Directors | Date of Appointment | Date of last re-election | Audit Committee | Nominating Committee | Remuneration Committee | Present Directorships in other Listed Companies |
|------------------------|--|---------------------|--------------------------|-----------------|----------------------|------------------------|---|
| Ho Kwok Wai | Non-Executive Director and Chairman | 6 November 2013 | 30 July 2014 | – | – | – | Nil |
| Mark Francis Bedingham | Executive Director, President And Chief Executive Director | 23 January 2015 | Not applicable | – | – | – | Nil |
| Chan Tak Sing Martin | Executive Director | 6 May 2005 | 30 July 2014 | – | – | – | Nil |
| Fong Sing Chak Jack | Non-executive Director | 6 November 2013 | 30 July 2014 | Member | Member | Member | Nil |
| Wong Yen Siang | Independent Director | 15 July 2005 | 31 July 2012 | Chairman | Member | Member | Nil |
| Wee Sung Leng | Independent Director | 6 November 2013 | 30 July 2014 | Member | Chairman | Chairman | Nil |

The independence of each Independent Director is assessed and reviewed annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. Each independent director is required to confirm his independence annually based on the guidelines as set out in the Code.

Currently, Mr Wong Yen Siang has served on the Board for more than nine years from the date of his first appointment in 2005. The Board had reviewed and considered Mr Wong Yen Siang to be independent notwithstanding that he have served on the Board beyond nine years after taking into account his active participation at the board meetings, objective and constructive challenge of the Management in terms of business and strategy proposals, and critical review of the management's performance. Mr Wong Yen Siang has also demonstrated strong independence character and judgement over the years in discharging his duties as independent director in the best interests of the Company.

The Board through the NC has examined its board size and composition and is of the view that the current board size is appropriate, taking into account the nature and scope of the Group's operations, the wide spectrum of skill and knowledge of the Directors.

The NC is of the view that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board; and no individual or small group of individuals dominates the Board's decision-making process.

The Non-Executive and Independent members of the Board exercise no management functions in the Company or its subsidiaries although they participate actively during Board meetings. The Non-Executive and Independent Directors constructively challenge and help to develop proposals on strategies, business operations and practices of the Group and review the performance of Management in meeting agreed goals and objectives. The Non-Executive and Independent Directors also communicate amongst themselves and with the Company's auditors and senior management.

Principle 3: Chairman and Chief Executive Director

Mr Ho Kwok Wai was appointed as Director on 6 November 2013 and he was re-designated from Executive Chairman to Non-Executive Chairman on 23 January 2015. Mr Mark Francis Bedingham was appointed as an Executive Director of the Company, President and Chief Executive Officer ("CEO") of the Company with effect from 23 January 2015.

CORPORATE GOVERNANCE REPORT

As the Company has a separate Non-Executive Chairman and a Chief Executive Officer, there is a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making at the top of the Company as of the date of this report.

The Non-Executive Chairman ensures that board meetings are held when necessary and sets the board meeting agenda with the assistance of the Company Secretary and in the consultation with the President and CEO. The Chairman ensures that the board members are provided with complete, adequate and timely information in compliance with the Code and there is effective communication within the board and within the shareholders.

The Board has delegated the daily operations of the Group to the President and CEO. The President and CEO leads the management team and formulates the Group's strategic directions and expansion plans, executes the strategic plan and manage the Group's overall business development to achieve the goal set out by the Board. He ensures that the Directors are kept updated and informed of the Group's business.

Principle 4: Board Membership

The NC comprises 3 members, all Non-Executive Directors, a majority of whom including the Chairman are independent. The NC is chaired by an Independent Director, who is not a substantial shareholder of the Company and is not associated in any way with the substantial shareholders of the Company. The responsibilities of the NC include:-

- a) reviewing and recommending the nominations for the appointment or re-appointment of Directors having regard to the composition and progressive renewal of the Board, each director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations;
- b) reviewing the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company, the core competencies of the directors as a group and make recommendations to the Board with regards to any adjustments that may be deemed necessary;
- c) reviewing board succession plan for directors, in particular for the Chairman of the Board and chief executive officer;
- d) determining on an annual basis whether or not a Director is independent;
- e) assessing the performance of the Board and contribution of each Director to the effectiveness of the Board as a whole; and
- f) recommending to the Board comprehensive induction training programmes for new directors and reviewing training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

The NC is guided by written terms of reference that describe the responsibilities of its members.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possesses the experience and knowledge, business, finance and management skills necessary to our businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable a balanced and well-considered decisions to be made.

New Directors of the Company and the Group are appointed by way of Board resolutions of the respective companies, after the NC makes necessary recommendations to the Board. According to the Articles, such new Directors of the Company shall submit themselves for re-election at the AGM of the Company.

The NC ensures that all recommendations for the appointment and re-election of Directors are formal and transparent. At each Annual General Meeting ("AGM") of the Company, at least one-third of the Directors will retire from office by rotation and each Director shall retire from office at least once every three years. All Directors to be appointed or re-elected are recommended by the NC before submission is made to the Board for approval.

CORPORATE GOVERNANCE REPORT

The NC has reviewed and recommended the re-election of the following Directors who will be retiring pursuant to the Company's Articles of Association at the forthcoming Annual General Meeting to be held on 29 July 2015 (the "AGM"):

- Mr Ho Kwok Wai (retiring pursuant to Article 91)
- Mr Wong Yen Siang (retiring pursuant to Article 91)
- Mr Mark Francis Bedingham (retiring pursuant to Article 97)

The Board has accepted the recommendations and the retiring directors will be offering themselves for re-election at the forthcoming AGM.

The NC also assessed and reviewed the independence of the Independent Directors, namely Mr Wong Yen Siang and Mr Wee Sung Leng based on the new guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Mr Wong Yen Siang and Mr Wee Sung Leng remain independent.

The information relating to the date of last election of the Directors are set out under 'Principle 2' on page 18.

Key information regarding the Directors are set out under the section of 'Board of Directors' on pages 10 to 11 of this Annual Report.

Where a Director has multiple Board representations, the NC will evaluate annually whether a Director is able to and has been adequately carrying out his duties as a Director of the Company based on internal guidelines such as attendance, contactability and responsiveness. Although the Independent Directors hold directorships in other companies which are not in the Group, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective.

The Board does not prescribe a maximum number of listed company board representations which any director with multiple board representations may hold and in lieu wishes to review the matter on a case by case basis taking into account the ability and performance of each director in his performance and discharge of duties and responsibilities.

Principle 5: Board Performance

The NC has implemented a process to assess the performance and effectiveness of the Board as a whole, its board committees and the contribution by each director to the effectiveness of the Board.

The evaluation and review of the Board's performance is carried out collectively by the Board on an annual basis. For Board assessment, it is based on factors such as the Board's structure, size, conduct of meetings, corporate strategy and planning, risk management and internal controls, measuring and monitoring performance and financial reporting. In the case of individual assessments, each Director is evaluated based on factors which include the Director's attendance, adequacy of preparation for meetings, participation in discussions as well as industry and business knowledge.

Principle 6: Access to Information

In order to fulfill the Board's members' responsibilities and enable them to carry out their duties, the Management is required to provide complete, adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Company and the Group. Directors have unrestricted access to the Company's records and information, all Board and Board Committees' minutes. Directors are also provided with the agenda and meeting materials in advance and have separate and independent access to the Company Secretary and Management at all times.

Directors may also liaise with senior executives and other employees to seek additional information if required. Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense to enable the Directors to discharge their duties.

The Company Secretary provides the Board with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST.

The Company Secretary attends all Board and Board Committee meetings of the Company and is responsible for ensuring that Board procedures are followed and relevant rules and regulations are complied with. The appointment and removal of the Company Secretary are subjected to the approval of the Board as a whole.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises 3 members, all non-executive directors, the majority of whom including the Chairman are independent. The responsibilities of the RC include:-

- a) recommending to the Board a framework of remuneration for directors and key management personnel, and to determine a specific remuneration package for each executive director of which a significant portion of the executive director's remuneration is structured to link rewards to corporate and individual performance;
- b) all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind; and
- c) reviewing the remuneration packages of employees who are related to executive director(s) and/or substantial shareholder(s) of the Company.

The RC's recommendations are submitted to the entire Board. The members of the RC shall not participate in any decision concerning their own remuneration package. No Director will be involved in determining his own remuneration.

The RC is guided by written terms of reference that describe the responsibilities of its members.

The RC has the authority to seek any external professional advice on matters relating to remuneration of directors as and when the need arises.

Principle 8: Level and Mix of Remuneration

The remuneration policy of the Group is to provide compensation packages at rates within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. This reward good performance and attract, retain and motivate Directors and key executives.

The Executive Directors' remuneration packages are based on service agreement entered into between the Company and the respective Executive Directors for a period of three (3) to five (5) years and subject to automatic renewal for subsequent periods of three (3) years unless earlier terminated.

Independent Directors and Non-Executive Director are paid yearly Directors' fees of an agreed amount, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the effort and time spent and the responsibilities. The fees are subject to shareholders' approval at the AGM. Except as disclosed, the Independent Directors and Non-Executive Director do not receive any other remuneration from the Company.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

Principle 9: Disclosure on Remuneration

For the financial year under review, the RC had recommended to the Board total directors fees of S\$191,452 for the Non-Executive Director and Independent Directors, which will be tabled by the Board at the forthcoming AGM for shareholders' approval.

The Board has not included a separate annual remuneration report in its annual report for the current year as it is of view that the matters, which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and in the financial statements of the Company.

CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of each individual Director's remuneration for financial year under review is as follows:-

| Name of Director | Base Salary | Fees | Bonus | Benefits in kind | Total |
|--|-------------|------|-------|------------------|-------|
| Below S\$250,000 | | | | | |
| Ho Kwok Wai | 95% | 5% | – | – | 100%- |
| Chan Tak Sing Martin | 100% | – | – | – | 100% |
| Fong Sing Chak Jack | – | 100% | – | – | 100% |
| Wong Yen Siang | – | 100% | – | – | 100% |
| Wee Sung Leng | – | 100% | – | – | 100% |
| Mark Francis Bedingham (appointed on 23 January 2015) | 100% | – | – | – | 100% |

A breakdown, showing the level and mix of top key executives' remuneration for financial year under review is as follows:-

| Name of Key Executives* | Base Salary | Bonus | Benefits in kind | Total |
|---|-------------|-------|------------------|-------|
| S\$250,000 to S\$500,000 | | | | |
| Lo Chi Chung Alan (appointed on 16 October 2014) | 100% | – | – | 100% |
| Below S\$250,000 | | | | |
| Andrew Shepherd (appointed on 1 April 2014) | 100% | – | – | 100% |
| John Pike (appointed on 16 February 2015) | 100% | – | – | 100% |
| James de Villiers-Smith (appointed on 1 December 2014) | 100% | – | – | 100% |
| Stephen Deng (appointed on 10 April 2015) | – | – | – | – |

The remuneration of each individual Director and key executive is not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

The aggregate total remuneration paid to or accrued to key executives (who are not Director or chief executive officer) amounted to HK\$5,103,813 (approximately equivalent to S\$850,154).

There is no employee in the Group who is related to a Director or the chief executive officer whose remuneration exceeds S\$50,000 for the FY2015.

The RC has reviewed and approved the remuneration packages of the Directors and key executives, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Directors and key executives are adequately but not excessively remunerated.

There are no termination, retirement or any post-employment benefits to directors and key officer.

The SWH Performance Share Plan was adopted at an Extraordinary General Meeting on 30 July 2014. The SWH Performance Share Plan is administrated by the Remuneration Committee and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by the selected employees of the Group. No shares have been issued under this plan during the financial year under review.

AUDIT COMMITTEE

Principle 10: Accountability and Audit

The Board is accountable to the shareholders while the Management is accountable to the Board. The Board is committed to providing shareholders with a balanced and understandable analysis and explanation of the Group's financial performance, position and prospects to the public, including interim and other price sensitive public reports and reports to regulators (if required).

The Board ensures that the management maintains a sound system of internal control to safeguard the shareholders' investment and the Group's assets.

The Management will provide the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis.

The Management also presents to the Board the half yearly and full year results and the Audit Committee reports to the Board on the results for review and approval. The Board approves the results after review and authorized the release of the results to the SGX-ST and the public via SGXNET.

Principle 11: Risk Management and Internal Controls

The Board is responsible for ascertaining that Management maintains a sound system of internal controls to safeguard shareholders' investment and the assets of the Group.

The Board and the AC note that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Company has in February 2013 set up a Risk Management Committee ("RMC") comprising of senior management. The RMC assists the Board in its risk governance responsibility particularly in ensuring that there is a system of controls in place for identifying and managing risk in order to safeguard stakeholders' interests and the Group's assets.

The Company has also engaged Baker Tilly Consultancy (Singapore) Pte Ltd to carry out a review of the adequacy and effectiveness of the Group's risk management and internal control systems to enable the Board and Management to understand the inherent industry, financial, operational and compliance and information technology risk of the Group. The AC reviewed the proposed enterprise risk assessment plan prepared by Baker Tilly TFW, the external risk assessment team engaged to review the Group's internal controls which address financial, operational and compliance risks. On review of the report on the summary of the risks faced by the Group, AC consider recommended to the Board any follow-up measures thereafter.

The Company's external auditors, in the course of their annual audit, informed the AC and the Board that they are not aware of any reason to indicate that the internal controls and risk management systems were not adequately and effectively addressing financial, operational compliance and information technology risks which would warrant highlighting to the Board and AC.

The Directors have received assurance from the CEO and the CFO in relation to the financial information and controls for the year, including that the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2015 give a true and fair view of the Company's operations and finances and (ii) the Company's risk management and internal control systems in place are effective.

Material associates and joint ventures which the Company does not control, are not dealt with for the purpose of this statement.

Based on the internal controls established and maintained by the Company, works performed by the internal and external auditors, reviews performed by the Management, the AC and the Board, the Board with the concurrence of the AC is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology and risk management systems are adequate and effective in meeting the needs of the Group and provide reasonable assurance against material financial misstatements or material loss and to safeguard the Group's assets. This is also supported by the assurance statement from the CEO and CFO.

CORPORATE GOVERNANCE REPORT

Principle 12: Audit Committee

The AC comprises 3 Directors, all Non-Executive Directors, a majority of whom including the Chairman are independent. All AC members have financial management knowledge and two members have accounting and related financial management expertise. The Board is of the view that the AC members have sufficient management expertise and experience to discharge their responsibilities.

The AC has written terms of reference clearly setting out its authority and duties.

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

The AC meets periodically to perform the following functions:

- a) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response;
- b) review with the internal auditors the internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the annual report;
- c) review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- d) review the internal control and procedures and ensure co-ordination between the external auditors and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- e) review the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually;
- f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response;
- g) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- h) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- i) review potential conflicts of interest, if any;
- j) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- k) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC meets with the internal and external auditors, at least once a year, without the presence of Management. The external auditors present to the AC the audit plan and updates relating to any change of accounting standards which have a direct impact on financial statements during the AC meeting. The AC confirmed that it has undertaken a review of all non-audit services provided by the external auditors and is satisfied that such service would not, in the AC's opinion, affect the independence and objectivity of the external auditors.

CORPORATE GOVERNANCE REPORT

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services for the financial year ended 31 March 2015 are as follows:

- Audit fees : S\$78,500
- Non-audit fees : S\$2,500

The AC, with concurrence of the Board has recommended RSM Chio Lim LLP for re-appointment as statutory auditors of the Company at the forthcoming AGM.

The Company engages suitable independent auditors to audit its foreign incorporated subsidiaries and associated companies, as disclosed in Note 15 to the financial statements in this annual report which have been cleared by the Company's external auditors. The Board and AC have reviewed and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The AC and the Board confirms that the Group had complied with SGX-ST Listing Rules 712 and 715 respectively.

The Company has in place whistle-blowing policies where employees of the Group have access to the AC to raise concerns about possible corporate improprieties in matters of financial reporting or other matters.

No former partner or director of the company's existing auditing firm or audit corporation is a member of the AC.

Principle 13: Internal Audit

Given the manageable volume of transactions, nature of business and concentration of businesses in Hong Kong and the People's Republic of China, in addition to Baker Tilly Consultancy (Singapore) Pte Ltd, the Company has also engaged Shenzhen Tianying Certified Public Accountants, an independent CPA firm to carry out internal audit works based on an internal audit plan which is reviewed and approved by the AC. The AC will assess periodically, the adequacy of internal control function in terms of resources needed and its appropriate standing within the Group.

The internal auditor reports to the Chairman of the AC annually.

The AC annually reviews the adequacy and effectiveness of the Company's internal audit function. The AC is of the view that the internal audit function is adequately resourced to perform its functions and maintains its independence from the activities that it audits.

Principle 14: Shareholder Rights

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

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the local newspaper and posted onto the SGXNET.

All shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in the general meetings. They are entitled to vote in accordance with the established voting rules and procedures.

The Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend and vote at the general meetings.

The Company presently does not allow corporations which provide nominee or custodial services to appoint more than two proxies, pending the amendments to the Companies Act. For those who hold their shares through CPF nominees and who are not registered as shareholders of the Company, they can attend the general meetings as observers.

CORPORATE GOVERNANCE REPORT

Principle 15: Communication with Shareholders

The Company is committed to maintaining a regular, effective and fair communication with shareholders. The Board strives to ensure that all material information is disclosed to the shareholders in an equal, adequate and timely manner. The Board informs and communicates with shareholders through announcement releases through SGXNET, annual reports, and advertisement of notices of meetings and at AGMs.

The Company conducts its investor relations on the following principles:

- (a) Information deemed to be price-sensitive is disseminated without delay via announcements and/or press releases on SGXNET;
- (b) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and
- (c) Operate an open policy with regard to investor/email enquiries.

The Company does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts include the Group's profit growth, level of cash available, projected levels of capital expenditure and investment plans and any other factors as the Board may deem appropriate.

Principle 16: Conduct of Shareholder Meetings

The AGM is the principal forum for dialogue with our shareholders. The Company encourages our shareholders to attend the AGM to ensure a high level of accountability and to be updated with on the Group's strategies and goals.

The Company takes note that there should be separate resolutions at general meetings on each substantially separate issue and to avoid bundling resolutions.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either formally or informally before or at the AGM.

The Chairman of the AC, NC and RC are present and available to address questions relating to the work of their respective committees at general meetings. The Company's external auditors are also invited to assist in addressing any queries by shareholders relating to the conduct of audit and the preparation and content of their auditors' report.

ADDITIONAL INFORMATION

SECURITIES TRANSACTIONS

The Company has devised and adopted policies in line with the requirements of the Listing Manual on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or at any time when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Company issues half yearly circular to its Directors and officers informing them that they must not deal in the Company's securities before the release of results and at any time they are in possession of unpublished material price-sensitive information.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed in the Report of Directors and Financial Statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

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

The aggregate value of interested person transactions during the reporting year was as follows:

| Name of interested person | Aggregate value of all interested person transactions conducted 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) | |
|--|--|-----------------------------|--|--------|
| | FY2015 | FY2014 | FY2015 | FY2014 |
| Loan from Director – Ho Kwok Wai | HK\$22,928,553 (S\$4,122,300) | – | – | – |
| Expenses paid on behalf of Director – Ho Kwok Wai | – | HK\$996,548 (S\$161,447) | – | – |

USE OF PROCEEDS

The Company raised the net proceeds of approximately S\$5.0 million from the placement of 24,480,000 ordinary shares in the capital of the Company at an issue price S\$0.22 for each share which was completed on 27 November 2013. Such proceeds have been utilised in accordance with the intended purposes as follows:-

1. approximately S\$3.5 million was used to fund the investments and business expansion plans in connection with the Group's business in Myanmar; and
2. the balance of approximately S\$1.5 million was used for the working capital requirements of the Group (ie. payment of professional and consultancy fees incurred in connection with the expansion of business in Myanmar).

DIRECTORS' REPORT

Year ended 31 March 2015

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 31 March 2015.

1. Directors at date of report

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

Ho Kwok Wai
 Mark Francis Bedingham (Appointed on 23 January 2015)
 Chan Tak Sing Martin
 Fong Sing Chak Jack
 Wong Yen Siang
 Wee Sung Leng

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

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

3. Directors' interests in shares and debentures

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

| Name of directors and companies in which interests are held | At beginning of the year or date of appointment | At end of the reporting year |
|---|--|---------------------------------|
| In the company - <u>Singapore Windsor Holdings Limited</u> | <u>Deemed interest</u> <u>Number of ordinary shares of no par value</u> | |
| Ho Kwok Wai | 111,333,000 | 113,489,000 |
| Mark Francis Bedingham | 5,000,000 | 5,000,000 |
| Chan Tak Sing Martin | 280,000 | 280,000 |
| Fong Sing Chak Jack | – | 1,000,000 |
| The ultimate parent company - <u>Taipan Grand Investments Ltd.</u> | <u>Direct interest</u> <u>Number of ordinary shares</u> | |
| Ho Kwok Wai | – | 1 |

By virtue of section 7 of the Act, Mr Ho Kwok Wai with shareholdings are deemed to have an interest in all related corporations of the company.

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

4. Contractual benefits of directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

5. Share options

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

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

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

6. Audit committee

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

| | | |
|---------------------|---|---|
| Wong Yen Siang | – | Independent Director, Chairman of Audit Committee |
| Wee Sung Leng | – | Independent Director |
| Fong Sing Chak Jack | – | Non-Executive Director |

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

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting control, and their report on the financial statements and the assistance given by the company's officers to them;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

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

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

7. Independent auditors

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

DIRECTORS' REPORT

Year ended 31 March 2015

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the external auditors, and reviews performed by management, other committees of the board, the audit committee and the board are of the opinion that company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 March 2015.

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 28 May 2015, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

Ho Kwok Wai
Director

Chan Tak Sing Martin
Director

2 July 2015

STATEMENT BY DIRECTORS

Year ended 31 March 2015

In the opinion of the directors,

- (a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 March 2015 and of the results and cash flows of the group and changes in equity of the company and of the group for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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

On Behalf of the Directors

Ho Kwok Wai
Director

Chan Tak Sing Martin
Director

2 July 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Windsor Holdings Limited (Registration No: 200505764Z)

Report on the financial statements

We have audited the accompanying financial statements of Singapore Windsor Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's 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 judgment, 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2015 and the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Windsor Holdings Limited (Registration No: 200505764Z)

Report on other legal and regulatory requirements

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

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

2 July 2015

Partner-in-charge of audit: Goh Swee Hong
Effective from reporting year ended 31 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

| | Notes | Group | |
|---|-------|-----------------|------------------------|
| | | 2015 | 2014 |
| | | HK\$'000 | HK\$'000 (Restated) |
| Revenue | 5 | 45,403 | – |
| Cost of sales | | (40,394) | – |
| Gross profit | | 5,009 | – |
| Other items of income | | | |
| Interest income | 6 | 786 | 1 |
| Other gains | 7 | 109 | – |
| Other items of expense | | | |
| Distribution costs | | (16,762) | (25) |
| Administrative expenses | | (19,186) | (3,532) |
| Finance costs | 8 | (335) | – |
| Other losses | 7 | – | (26) |
| Loss before income tax from continuing operations | | (30,379) | (3,582) |
| Income tax expense | 10 | – | – |
| Loss from continuing operations, net of tax | | (30,379) | (3,582) |
| Loss from discontinued operations, net of tax | 11 | (16,055) | (1,980) |
| Loss on disposal of discontinued operations | 11 | – | (85,465) |
| Loss net of tax | | (46,434) | (91,027) |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translating foreign operations, net of tax | | (1,664) | 2,704 |
| Other comprehensive (loss) income for the year, net of tax: | | (1,664) | 2,704 |
| Total comprehensive loss | | (48,098) | (88,323) |
| Loss attributable to owners of the parent, net of tax | | (48,660) | (89,300) |
| Profit/(loss) attributable to non-controlling interests, net of tax | | 2,226 | (1,727) |
| Loss net of tax | | (46,434) | (91,027) |
| Total comprehensive loss attributable to owners of the parent | | (50,721) | (86,961) |
| Total comprehensive income/(loss) attributable to non-controlling interests | | 2,623 | (1,362) |
| Total comprehensive loss | | (48,098) | (88,323) |
| Loss per share | | | |
| Loss per share currency unit | | Cents | Cents |
| Basic | 12 | | |
| Continuing operations | | (20.19) | (2.74) |
| Discontinued operations | | (12.94) | (65.57) |
| Total | | (33.13) | (68.31) |
| Diluted | | | |
| Continuing operations | | (20.19) | (2.74) |
| Discontinued operations | | (12.94) | (65.57) |
| Total | | (33.13) | (68.31) |

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2014

| | Notes | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| ASSETS | | | | | |
| <u>Non-current assets</u> | | | | | |
| Property, plant and equipment | 13 | 5,007 | 57,954 | 1,025 | – |
| Investment property | 14 | – | 5,880 | – | – |
| Investments in subsidiaries | 15 | – | – | 9,892 | 56,716 |
| Other financial assets, non-current | 16 | – | 18,395 | – | – |
| Other assets, non-current | 17 | – | 6,387 | – | – |
| Trade and other receivables, non-current | 19 | 4,594 | – | – | – |
| Total non-current assets | | 9,601 | 88,616 | 10,917 | 56,716 |
| <u>Current assets</u> | | | | | |
| Inventories | 18 | – | 17,164 | – | – |
| Trade and other receivables, current | 19 | 13,782 | 98,373 | 34,664 | 1,006 |
| Other assets, current | 20 | 11,701 | 2,689 | 414 | – |
| Cash and cash equivalents | 21 | 49,747 | 115,773 | 30,091 | 65,832 |
| | | 75,230 | 233,999 | 65,169 | 66,838 |
| Assets classified as held for sale | 11 | 221,949 | – | 56,276 | – |
| Total current asset | | 297,179 | 233,999 | 121,445 | 66,838 |
| Total assets | | 306,780 | 322,615 | 132,362 | 123,554 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to owners of the parent | | | | | |
| Share capital | 22 | 110,453 | 110,453 | 110,453 | 110,453 |
| Accumulated losses | | (94,169) | (45,509) | (27,472) | (9,159) |
| Other reserves | 23 | 23,254 | 25,315 | – | – |
| Equity, attributable to owners of the parent, total | | 39,538 | 90,259 | 82,981 | 101,294 |
| Non-controlling interests | | 17,359 | 12,102 | – | – |
| Total equity | | 56,897 | 102,361 | 82,981 | 101,294 |
| <u>Non-current liabilities</u> | | | | | |
| Deferred tax liabilities | 10 | – | 748 | – | – |
| Other payables, non-current | 25 | 22,929 | 2,716 | 22,929 | – |
| Other financial liabilities, non-current | 24 | 5,468 | 46,041 | – | – |
| Total non-current liabilities | | 28,397 | 49,505 | 22,929 | – |
| <u>Current liabilities</u> | | | | | |
| Income tax payable, current | | – | 5,132 | – | – |
| Trade and other payables, current | 26 | 21,823 | 58,741 | 26,452 | 22,260 |
| Other financial liabilities, current | 24 | 6,124 | 106,876 | – | – |
| Total current liabilities | | 27,947 | 170,749 | 26,452 | 22,260 |
| Liabilities associated with asset classified as held for sale | 11 | 193,539 | – | – | – |
| Total Liabilities | | 249,883 | 220,254 | 49,381 | 22,260 |
| Total equity and liabilities | | 306,780 | 322,615 | 132,362 | 123,554 |

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2015

| | Total Equity | Attributable to Parent Subtotal | Share Capital | (Accumulated Losses)/ Retained Earnings | Other Reserves | Non- Controlling Interests |
|--|-----------------|---------------------------------------|------------------|--|-------------------|----------------------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Group | | | | | | |
| Current year: | | | | | | |
| Opening balance at 1 April 2014 | 102,361 | 90,259 | 110,453 | (45,509) | 25,315 | 12,102 |
| Movements in equity: | | | | | | |
| Total comprehensive (loss)/income for the year | (48,098) | (50,721) | – | (48,660) | (2,061) | 2,623 |
| Dividend paid/payable to non-controlling interest of a subsidiary | (2,450) | – | – | – | – | (2,450) |
| Capital contribution from non-controlling interest of a subsidiary | 5,084 | – | – | – | – | 5,084 |
| Closing balance at 31 March 2015 | 56,897 | 39,538 | 110,453 | (94,169) | 23,254 | 17,359 |
| Previous year: | | | | | | |
| Opening balance at 1 April 2013 | 163,991 | 151,569 | 78,097 | 8,011 | 65,461 | 12,422 |
| Movements in equity: | | | | | | |
| Issue of share capital (Note 22) | 32,356 | 32,356 | 32,356 | – | – | – |
| Disposal of a subsidiary with a change in control (Note 11) | (4,487) | (6,705) | – | 35,780 | (42,485) | 2,218 |
| Total comprehensive (loss)/income for the year | (88,323) | (86,961) | – | (89,300) | 2,339 | (1,362) |
| Dividend paid/payable to non-controlling interest of a subsidiary | (1,176) | – | – | – | – | (1,176) |
| Closing balance at 31 March 2014 | 102,361 | 90,259 | 110,453 | (45,509) | 25,315 | 12,102 |

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

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2015

| | Total Equity HK\$'000 | Share Capital HK\$'000 | Accumulated Losses HK\$'000 |
|---|-----------------------------|------------------------------|-----------------------------------|
| Company | | | |
| Current year: | | | |
| Opening balance at 1 April 2014 | 101,294 | 110,453 | (9,159) |
| Movements in equity: | | | |
| Total comprehensive loss for the year | (18,313) | – | (18,313) |
| Closing balance at 31 March 2015 | 82,981 | 110,453 | (27,472) |
| Previous year: | | | |
| Opening balance at 1 April 2013 | 72,615 | 78,097 | (5,482) |
| Movements in equity: | | | |
| Issue of share capital (Note 22) | 32,356 | 32,356 | – |
| Total comprehensive loss for the year | (3,677) | – | (3,677) |
| Closing balance at 31 March 2014 | 101,294 | 110,453 | (9,159) |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

| | Group | |
|--|---------------|---------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Cash flows from operating activities | | |
| Loss before tax from continuing operations | (30,379) | (3,582) |
| (Loss)/profit before tax from discontinued operations | (13,200) | 549 |
| Loss before tax, total | (43,579) | (3,033) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 11,384 | 12,512 |
| Amortisation of land right use | 82 | 82 |
| Amortisation of prepaid insurance premium | – | 498 |
| Interest income | (786) | (508) |
| Interest expense | 335 | 8,180 |
| Gain on disposal of plant and equipment | (457) | (11,049) |
| Gain on disposal of available for sale investment | – | (4,154) |
| Fair value gain on other financial asset, non-current | – | (41) |
| Net effect of exchange rate changes in consolidating subsidiaries | (1,913) | (6,033) |
| Operating cash flows before changes in working capital | (34,934) | (3,546) |
| Inventories | 1,998 | 389 |
| Trade and other receivables | (11,654) | (3,768) |
| Other assets, current | (11,468) | 3,178 |
| Trade and other payables, current | 45,850 | 15,991 |
| Net cash flows (used in) from operations | (10,208) | 12,244 |
| Income tax paid | (2,578) | (1,276) |
| Net cash flows (used in) from operating activities | (12,786) | 10,968 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment (Note 21B) | (12,210) | (1,933) |
| Disposal of plant and equipment | – | 14,910 |
| Disposal of available for sale investment | 10,564 | 4,154 |
| Deposit received from assets held for sale | 13,750 | – |
| Disposal of subsidiaries (net cash acquired) (Note 11B) | – | 44,944 |
| Interest received | 786 | 69 |
| Net cash flows from investing activities | 12,890 | 62,144 |
| Cash flows from financing activities | | |
| Dividend paid to non-controlling shareholders of subsidiaries | (2,450) | (1,176) |
| Capital contribution from non-controlling interest | 5,084 | – |
| Capital contribution from share placement | – | 32,356 |
| Increase in restricted fixed bank deposits | 21,627 | (24,602) |
| Increase in other liabilities, non-current | 945 | 28,397 |
| Repayment of other financial liabilities | (15,651) | (507) |
| Repayment of short-term borrowings | (36,321) | (21,848) |
| Repayment of finance leases | (711) | (4,513) |
| Increase in bank loans | 11,592 | – |
| Loan from majority shareholder | 22,929 | – |
| Interest paid | (335) | (8,180) |
| Net cash flows from (used in) financing activities | 6,709 | (73) |
| Net increase in cash and cash equivalents | 6,813 | 73,039 |
| Cash and cash equivalents, statement of cash flows, beginning balance | 74,095 | 845 |
| Effect on foreign exchange rate changes | – | 211 |
| Cash and cash equivalents, statement of cash flows, ending balance (Note 21A) | 80,908 | 74,095 |

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

1. General

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

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

The company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in Note 15 below.

The registered office is: 300 Beach Road, #29-01, The Concourse, Singapore 199555. The company is situated in Singapore.

2. Summary of significant accounting policies

Accounting convention

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

Basis of presentation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Basis of preparation of the financial statements

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

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the entity and it is shown net of related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividends from equity instrument are recognised as income when the entity's right to receive payment is established.

Employee benefits

Certain subsidiaries operate defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund are held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. Contributions are charged to profit or loss in the period to which they relate. This plan is in addition to the contributions to government managed retirement benefit plans such as the Central Provident Fund in Singapore which specifies the employer's obligations which are dealt with as defined contribution retirement benefit plans. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Income tax

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

Foreign currency transactions

The functional currency is the Hong Kong dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

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

Segment reporting

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

Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Property, plant and equipment

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

| | | |
|------------------------|---|--|
| Leasehold buildings | – | Over the remaining terms of the lease that is 2% |
| Leasehold improvements | – | 10% to 20% |
| Plant and equipment | – | 18% to 20% |

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

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

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

Land use rights

Land use rights relate to the land in People's Republic of China where the factories are located. Cost includes acquisition cost and any direct attributable costs. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land use rights are stated at cost less accumulated amortisation and provision for impairment. The land use rights are amortised over the term of the leases that range from 2.0% to 9.0%.

Investment property

Investment property is property owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value less costs to sell. For disclosure purposes, the fair values are determined periodically on a systematic basis at least once yearly by management. The annual rate of depreciation is 4.5%.

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

Leases

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

Subsidiaries

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

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

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Impairment of non-financial assets

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

Financial assets

Initial recognition, measurement and derecognition:

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

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

Subsequent measurement:

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

1. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Financial assets (cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Inventories

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

Financial liabilities

Initial recognition, measurement and derecognition:

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

Subsequent measurement:

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

- #1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
- #2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Assets classified as held for sale

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Assets classified as held for sale (cont'd)

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

Fair value measurement

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

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

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

Classification of equity and liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

Provisions

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

Critical judgements, assumptions and estimation uncertainties

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

Allowance for doubtful trade accounts:

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

3. Related party relationships and transactions

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3. Related party relationships and transactions (cont'd)

3A. Related companies:

The company is a subsidiary of Taipan Grand Investments Ltd, incorporated in Singapore. The company's ultimate parent company is the same entity. Related companies in these financial statements refer to members of the ultimate parent company's group of companies. The ultimate controlling party is Mr Ho Kwok Wai.

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

There were no significant transactions with the ultimate parent company. Intra-group transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Other related parties:

The transactions were not significant.

3C. Key management compensation:

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Salaries and other short-term employee benefits | 5,001 | 5,848 |
| Contributions to defined contribution plans | 103 | 108 |

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

| | Group | |
|--|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Directors' fees | 1,149 | 962 |
| Remuneration of directors of the company | 1,905 | 2,202 |
| Contributions to defined contribution plans for directors of the company | 62 | 78 |

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

3. Related party relationships and transactions (cont'd)

3D. Other receivables from or other payables to related parties/company:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties/company are as follows:

| | Subsidiaries | |
|---|---------------------|-----------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Company:</u> | | |
| <u>Other receivables/(payables)</u> | | |
| Balance at beginning of year | (20,821) | 17,014 |
| Amounts paid out (in) and settlement of liabilities on behalf | 44,569 | (37,835) |
| Balance at end of year (Notes 19 and 26) | 23,748 | (20,821) |
| | | |
| | Directors | |
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Group:</u> | | |
| <u>Other payables</u> | | |
| Balance at beginning of year | 4,637 | 4,874 |
| Amounts paid out and settlement of liabilities on behalf of directors | (4,637) | (237) |
| Balance at end of year (Note 26) | – | 4,637 |

4. Financial information by operating segments

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

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

For management purposes, the group's operating businesses are organised according to their nature of activities as follows:-

- (a) Trading of industrial products; and
- (b) Provision of telecommunication service

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

The discontinued operations relate to the disposal of manufacture and sale of moulds and the provision of services segment (2014: sale of silicon manganese segment) (see Note 11).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The assets and liabilities are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4B. Profit or loss from continuing operations and reconciliations

| | Trading of industrial products | Provision of telecommunication service | Unallocated | Total |
|--|--------------------------------------|--|-------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Continuing Operations 2015 | | | | |
| Revenue by Segment | | | | |
| Total revenue by segment | 41,865 | 3,538 | – | 45,403 |
| Recurring EBITDA | (220) | (2,364) | (27,974) | (30,558) |
| Interest income | 784 | – | 2 | 786 |
| Finance costs | (335) | – | – | (335) |
| Depreciation | – | (102) | (170) | (272) |
| ORBIT | 229 | (2,466) | (28,142) | (30,379) |
| Profit/(loss) before tax from continuing operations | 229 | (2,466) | (28,142) | (30,379) |
| Loss after tax from continuing operations | | | | (30,379) |
| Loss from discontinued operations | | | | (16,055) |
| Loss for the year | | | | (46,434) |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

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

| | Trading of industrial products | Provision of telecommunication service | Unallocated | Total |
|---|--------------------------------------|--|-------------|-----------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Continuing Operations | | | | |
| 2014 | | | | |
| Revenue by Segment | | | | |
| Total revenue by segment | — | — | — | — |
| Recurring EBITDA | — | — | (3,583) | (3,583) |
| Interest income | — | — | 1 | 1 |
| ORBIT | — | — | (3,582) | (3,582) |
| Loss before tax from continuing operations | — | — | (3,582) | (3,582) |
| Loss after tax from continuing operations | | | | (3,582) |
| Loss from discontinued operations | | | | (1,980) |
| Loss on disposal of discontinued operations | | | | (85,465) |
| Loss for the year | | | | (91,027) |

4C. Assets and reconciliations

| | Trading of industrial products | Provision of telecommunication service | Manufacture and sale of moulds | Provision of services | Discontinued Operations | Unallocated | Total |
|--------------------------|--------------------------------------|--|--------------------------------------|--------------------------|----------------------------|-------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 2015 | | | | | | | |
| Total group assets | 31,240 | 3,581 | — | — | 221,949 | 50,010 | 306,780 |
| 2014 | | | | | | | |
| Total group assets | — | — | 154,368 | 49,084 | — | 119,163 | 322,615 |

Unallocated items comprise cash and cash equivalents, other receivables and prepayments and other investments. The assets are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

4D. Liabilities and reconciliations

| | Trading of industrial products | Provision of telecommunication service | Manufacture and sale of moulds | Provision of services | Discontinued Operations | Unallocated | Total |
|-------------------------------|--------------------------------------|--|--------------------------------------|--------------------------|----------------------------|-------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 2015 | | | | | | | |
| Total group liabilities | 31,012 | 5,732 | – | – | 193,539 | 19,600 | 249,883 |
| 2014 | | | | | | | |
| Total group liabilities | – | – | 105,350 | 31,874 | – | 83,030 | 220,254 |

Unallocated items comprise trade payables and accrued liabilities, other payables, income tax payable, deferred tax expense, long-term borrowings and finance leases. The liabilities are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4E. Other material items and reconciliations

| | Trading of industrial products | Provision of telecommunication service | Manufacture and sale of moulds | Provision of services | Unallocated | Total |
|--|--------------------------------------|--|--------------------------------------|--------------------------|-------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Other non-cash expenses other than depreciation/ amortization: | | | | | | |
| 2015 | – | – | – | – | – | – |
| 2014 | – | – | (896) | (1,772) | – | (2,668) |
| Expenditure for non-current assets: | | | | | | |
| 2015 | – | 1,683 | – | – | 3,596 | 5,279 |
| 2014 | – | – | 3,611 | – | – | 3,611 |

4F. Geographical information

| | Revenue | | Non-current assets | |
|-------------------------|----------|----------|--------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| PRC including Hong Kong | – | – | – | 88,616 |
| Singapore | – | – | 1,025 | – |
| Myanmar | 45,403 | – | 8,576 | – |
| | 45,403 | – | 9,601 | 88,616 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

4G. Information about major customers

Revenue from major customers during the reporting year are as follows:

| | Group 2015 HK\$'000 |
|-----------------|---------------------------|
| Top 1 customer | 13,167 |
| Top 2 customers | <u>19,523</u> |

There was no customer with revenue transactions of over 10% of the group's revenue in the previous reporting year.

5. Revenue

| | Group 2015 HK\$'000 | 2014 HK\$'000 (Restated) |
|-----------------------|---------------------------|--------------------------------|
| Sales of goods | 41,865 | – |
| Rendering of services | 3,538 | – |
| | <u>45,403</u> | <u>–</u> |

6. Interest income

| | Group 2015 HK\$'000 | 2014 HK\$'000 (Restated) |
|-----------------|---------------------------|--------------------------------|
| Interest income | 786 | 1 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

7. Other gains and (other losses)

| | Group | |
|-------------------------------------|----------|------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 (Restated) |
| Foreign exchange adjustments losses | 109 | (26) |
| Presented in profit or loss as: | | |
| Other gains | 109 | — |
| Other losses | — | (26) |
| Net | 109 | (26) |

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

| | Group | |
|---|----------|------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 (Restated) |
| Audit fees to independent auditors included under administrative expenses | | |
| - Company's auditors | 462 | 386 |
| - Other auditors | 889 | 1,014 |
| Non-audit fees to auditors included under administrative expenses | — | 113 |

8. Finance costs

| | Group | |
|------------------|----------|------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 (Restated) |
| Interest expense | 335 | — |

9. Employee benefits expense

| | Group | |
|--|----------|------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 (Restated) |
| Employee benefits expense | 8,423 | — |
| Contributions to defined contribution plan | 389 | — |
| Total employee benefits expense | 8,812 | — |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

10. Income tax

10A. Components of tax expense recognised in profit or loss includes:

| | Group | |
|--|----------|------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | | (Restated) |
| <u>Current tax expense:</u> | | |
| Current tax expense | – | – |
| <u>Deferred tax expenses (income):</u> | | |
| Deferred tax income | – | – |
| Total income tax expense | – | – |

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit or loss before income tax as a result of the following differences:

| | Group | |
|--------------------------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Loss before tax | (30,379) | (3,582) |
| Income tax benefit at the above rate | (5,164) | (609) |
| Not deductible items | 5,164 | 609 |
| Total income tax expense | – | – |

There are no income tax consequences of dividends to owners of the company.

10B. Deferred tax balance in the statement of financial position:

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Excess of tax over book depreciation on plant and equipment | – | 1,522 |
| Tax loss carryforwards | – | 957 |
| Net balance | – | 2,479 |

Presented in the statement of financial position as follows:

| | Group | |
|-------------------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Deferred tax assets (Note 17) | – | 3,227 |
| Deferred tax liabilities | – | 748 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11. Loss from discontinued operations, net of tax

11A. Assets and liabilities held for sale

On 23 March 2015, the management entered into a sale and purchase agreement (SPA) for disposal of the entire issued and paid up capital of Windsor Holding Investment Limited (WHI) and Windsor Metal Manufacture Co Ltd (WMM). The sale consideration is HKD 55,000,000 of which 25% non-refundable deposit of HKD 13,750,000 was received (Note 26). The sale is expected to be completed by 30 Sep 2015.

| | Windsor Metal Group | | Windsor Holding Group | | Group Total | |
|---|---------------------|--------------|-----------------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | 164,905 | 192,884 | – | – | 164,905 | 192,884 |
| Cost of sales | (131,370) | (145,417) | – | – | (131,370) | (145,417) |
| Gross profit | 33,535 | 47,467 | – | – | 33,535 | 47,467 |
| Other income | 6,965 | 16,581 | – | 4,154 | 6,965 | 20,735 |
| Distribution costs | (7,780) | (7,471) | – | – | (7,780) | (7,471) |
| Administrative expenses | (34,075) | (40,299) | (34) | (266) | (34,109) | (40,565) |
| Other charges | – | – | (6,436) | – | (6,436) | – |
| Finance costs | (4,323) | (6,929) | (1,052) | (1,701) | (5,375) | (8,630) |
| Loss before income tax from discontinued operation | (5,678) | 9,349 | (7,522) | 2,187 | (13,200) | 11,536 |
| Income tax expenses | (2,855) | (2,529) | – | – | (2,855) | (2,529) |
| Loss on disposal on subsidiary | – | – | – | (85,465) | – | (85,465) |
| Loss from discontinued operation in 2013 | – | – | – | (10,987) | – | (10,987) |
| Loss from discontinued operation, net of tax | (8,533) | 6,820 | (7,522) | (94,265) | (16,055) | (87,445) |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11. Loss from discontinued operations, net of tax (cont'd)

11A. Assets and liabilities held for sale (cont'd)

The following table summarises the carrying value of the account balances of the discontinued operations:

| 2015 | Windsor Metal Group HK\$'000 | Windsor Holding Group HK\$'000 | Group Total HK\$'000 |
|---|---------------------------------|-----------------------------------|-------------------------|
| Assets: | | | |
| Property, plant and equipment | 44,530 | – | 44,530 |
| Other financial assets, non-current | 4,644 | 3,411 | 8,055 |
| Investment property | 4,672 | – | 4,672 |
| Non-current assets held for sale | 14,235 | – | 14,235 |
| Deferred tax assets | 2,786 | – | 2,786 |
| Inventories | 15,166 | – | 15,166 |
| Other assets, current | 2,600 | – | 2,600 |
| Trade and other receivables | 90,737 | 768 | 91,505 |
| Cash | 38,378 | 22 | 38,400 |
| Assets of disposal group classified as held for sale | 217,748 | 4,201 | 221,949 |
| Liabilities: | | | |
| Other financial liabilities, non-current | (2,806) | (26,000) | (28,806) |
| Other payable, non-current | (3,662) | – | (3,662) |
| Deferred tax liabilities | (106) | – | (106) |
| Trade and other payables | (99,970) | (2,379) | (102,349) |
| Other financial liabilities, current | (57,116) | (1,500) | (58,616) |
| Liabilities directly associated with disposal group classified as held for sale | (163,660) | (29,879) | (193,539) |
| Net assets/(liabilities) directly associated with disposal group classified as held for sale | 54,088 | (25,678) | 28,410 |
| Net assets attributable to non-controlling interests | 12,650 | – | 12,650 |
| Net assets/(liabilities) attributable to owners of the parent | 41,438 | (25,678) | 15,760 |
| | 51,088 | (25,678) | 28,410 |

As at 31 March 2015, the assets classified as held for sale for the company amounting to HK\$56,276,000 relates to the investments in above subsidiaries.

The cash flows of the discontinued operations for the reporting year, which have been included in the consolidated financial statements, were as follows:

| 2015 | Windsor Metal Group HK\$'000 | Windsor Holding Group HK\$'000 | Group Total HK\$'000 |
|------------------|---------------------------------|-----------------------------------|-------------------------|
| Operating | 81,964 | 1,068 | 83,032 |
| Investing | 3,801 | – | 3,801 |
| Financing | (70,120) | (1,052) | (71,172) |
| Net cash inflows | 15,645 | 16 | 15,661 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11. Loss from discontinued operations, net of tax (cont'd)

11B. Disposal of discontinued operations

On 4 December 2013 the management entered into an agreement to sell subsidiary Windsor Manganese Limited held through Windsor Holding Investments Limited, the manufacture and sale of silicon manganese division. The sale was completed on 7 March 2014.

The results for the reporting year from the discontinued operation and the results for the previous reporting year and for the period from the beginning of the reporting year to 7 March 2014, which have been included in the consolidated financial statements, were as follows:

| | Group | |
|---------------------------------------|-----------------------------------|--------------------------|
| | At date of disposal in 2014 | Year ended 31/03/2013 |
| | HK\$'000 | HK\$'000 |
| Cost of sales | (7,970) | (9,740) |
| <u>Other items of income</u> | | |
| Interest income | – | 49 |
| Other credits | 1,160 | – |
| <u>Other items of expense</u> | | |
| Distribution costs | – | (65) |
| Administrative expenses | (4,113) | (4,782) |
| Finance costs | (64) | (495) |
| Other charges | – | (19,250) |
| Loss before tax | (10,987) | (34,283) |
| Income tax | – | – |
| Loss after tax before disposal loss | (10,987) | (34,283) |
| Loss on disposal of subsidiary | (85,465) | |
| Total loss on discontinued operations | (96,452) | |

A loss of HK\$85,464,583 arose on the disposal of subsidiary Windsor Manganese Limited, being the consideration receivable on disposal less the carrying amount of the subsidiary's net assets and attributable to goodwill.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

11. Loss from discontinued operations, net of tax (cont'd)

11B. Disposal of discontinued operations (cont'd)

The following table summarises the carrying value of the account balances of the discontinued operations that were sold on 7 March 2014:

| | Group | |
|--------------------------------------|-----------------------------|-----------------------|
| | At date of disposal in 2014 | Year ended 31/03/2013 |
| | HK\$'000 | HK\$'000 |
| Property, plant and equipment | 147,352 | 155,828 |
| Other assets | 10,950 | 10,981 |
| Inventories | 3,782 | 4,368 |
| Trade and other receivables | 9,342 | 15,488 |
| Cash and cash equivalents | 56 | 78 |
| Trade and other payables | (174,961) | (180,139) |
| Net assets disposed of | (3,479) | |
| Non-controlling interest | 2,218 | |
| Foreign currency translation reserve | (6,705) | |
| Amount due to holding company | 138,431 | |
| Loss on disposal | (85,465) | |
| Total consideration | 45,000 | |
| Satisfied by: | | |
| Cash proceeds | 45,000 | |
| Total consideration | 45,000 | |
| Net cash inflow on disposal: | | |
| Cash consideration | 45,000 | |
| Cash balance disposed off | (56) | |
| Net cash inflow | 44,944 | |

The cash flows of the discontinued operations for the previous year and for the period from the beginning of the reporting year to 7 March 2014, which have been included in the consolidated financial statements, were as follows:

| | Group | |
|----------------------|-----------------------------|-----------------------|
| | At date of disposal in 2014 | Year ended 31/03/2013 |
| | HK\$'000 | HK\$'000 |
| Operating cash flows | (23) | (14,761) |
| Investing cash flows | – | 49 |
| Financing cash flows | – | (495) |
| | (23) | (15,207) |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

12. Losses per share

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

| | Group | |
|---|--------------------|--------------------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 (Restated) |
| A. Numerators: losses attributable to equity: | | |
| Continuing operations: attributable to equity holders | (29,654) | (3,582) |
| Discontinued operations: losses for the year | (19,006) | (85,718) |
| B. Total basic losses | <u>(48,660)</u> | <u>(89,300)</u> |
| C. Diluted losses | <u>(48,660)</u> | <u>(89,300)</u> |
| | No. of shares | |
| D. Denominators: weighted average number of equity shares Basic | <u>146,880,000</u> | 130,716,493 |
| E. Diluted | <u>146,880,000</u> | <u>130,716,493</u> |

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

There is no dilution of losses per shares as there are no shares under options. The denominators used are the same as those detailed above for basic and diluted losses per share.

13. Property, plant and equipment

| Group | Leasehold buildings and improvements HK\$'000 | Plant and equipment HK\$'000 | Total HK\$'000 |
|--|--|------------------------------------|-------------------|
| Cost: | | | |
| At 1 April 2013 | 102,264 | 367,455 | 469,719 |
| Additions | – | 3,611 | 3,611 |
| Disposals | (5,711) | (601) | (6,312) |
| Disposal of subsidiary (Note 11B) | (38,659) | (137,404) | (176,063) |
| Foreign exchange translation adjustments | 525 | 1,462 | 1,987 |
| At 31 March 2014 | 58,419 | 234,523 | 292,942 |
| Additions | 1,251 | 4,028 | 5,279 |
| Assets classified as held for sale | (58,419) | (234,523) | (292,942) |
| At 31 March 2015 | <u>1,251</u> | <u>4,028</u> | <u>5,279</u> |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

| Group | Leasehold buildings and improvements HK\$'000 | Plant and equipment HK\$'000 | Total HK\$'000 |
|--|--|------------------------------------|-------------------|
| <u>Accumulated depreciation:</u> | | | |
| At 1 April 2013 | 43,917 | 200,423 | 244,340 |
| Depreciation for the year | 3,017 | 9,149 | 12,166 |
| Disposals | (1,866) | (585) | (2,451) |
| Disposal of subsidiary (Note 11B) | (3,721) | (16,514) | (20,235) |
| Foreign exchange translation adjustments | 255 | 913 | 1,168 |
| At 31 March 2014 | 41,602 | 193,386 | 234,988 |
| Depreciation for the year | 208 | 64 | 272 |
| Assets classified as held for sale | (41,602) | (193,386) | (234,988) |
| At 31 March 2015 | 208 | 64 | 272 |
| <u>Net carrying value:</u> | | | |
| At 1 April 2013 | 58,347 | 167,032 | 225,379 |
| At 31 March 2014 | 16,817 | 41,137 | 57,954 |
| At 31 March 2015 | 1,043 | 3,964 | 5,007 |

The depreciation expense is charged as follows:

| | Cost of sales HK\$'000 | Distribution costs HK\$'000 | Administrative expenses HK\$'000 | Total HK\$'000 |
|------|---------------------------|-----------------------------------|--|-------------------|
| 2015 | — | — | 272 | 272 |
| 2014 | 8,829 | 114 | 3,223 | 12,166 |

| Company | Leasehold buildings and improvements HK\$'000 | Plant and equipment HK\$'000 | Total HK\$'000 |
|-----------------------------------|--|------------------------------------|-------------------|
| <u>Cost:</u> | | | |
| At 1 April 2013 and 31 March 2014 | — | — | — |
| Additions | 993 | 199 | 1,192 |
| At 31 March 2015 | 993 | 199 | 1,192 |
| <u>Accumulated depreciation:</u> | | | |
| At 1 April 2013 and 31 March 2014 | — | — | — |
| Depreciation for the year | 145 | 22 | 167 |
| At 31 March 2015 | 145 | 22 | 167 |
| <u>Net carrying value:</u> | | | |
| At 1 April 2013 and 31 March 2014 | — | — | — |
| At 31 March 2015 | 848 | 177 | 1,025 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

14. Investment property

| | Group | |
|--|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>At cost:</u> | | |
| At beginning of the year | 7,741 | 7,610 |
| Assets classified as held for sale | (7,741) | – |
| Foreign exchange translation adjustments | – | 131 |
| At end of the year | – | 7,741 |
| <u>Accumulated depreciation:</u> | | |
| At beginning of the year | 1,861 | 1,487 |
| Depreciation for the year | – | 346 |
| Assets classified as held for sale | (1,861) | – |
| Foreign exchange translation adjustments | – | 28 |
| At end of the year | – | 1,861 |
| Net carrying value | – | 5,880 |
| Fair value: | | |
| Fair value at end of the year | – | 10,359 |
| Rental and service income from investment property | – | 478 |
| Direct operating expenses | – | 745 |

The depreciation expense is charged as administrative expenses.

The investment properties are leased out under operating leases.

In the previous reporting year, the fair value was based on a valuation made by RHL Appraisal Limited, a firm of independent professional valuers. The fair value is regarded as the lowest level for fair value measurement as the valuation technique used by the valuer is depreciated replacement cost approach and includes input for the asset that are not based on observable market data (unobservable inputs). The significant unobservable input is the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimization. Significant increases (decreases) in the unobservable input would result in a significant higher (lower) fair value measurement. However, it has no impact on the profit before tax.

15. Investments in subsidiaries

| | Company | |
|---------------------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Unquoted equity shares, at cost | 9,892 | 56,716 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

15. Investments in subsidiaries (cont'd)

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

| Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (Independent Auditors) | Cost in Books of Group | | Effective Percentage of Equity Held by Group | |
|--|---------------------------|------------------|--|-----------|
| | 2015 HK\$'000 | 2014 HK\$'000 | 2015 % | 2014 % |
| <u>Held by the Company:</u> | | | | |
| Windsor Metal Manufacture Co. Limited ^(a) (discontinued operation) Hong Kong Investment holding/ trading of PCB punching moulds, PCB laminates and related products (BDO Limited, Hong Kong) | (h) | 56,706 | 100 | 100 |
| Windsor Holding Investments Limited ^(a) (discontinued operation) Hong Kong Investment holding (BDO Limited, Hong Kong) | (h) | 10 | 100 | 100 |
| SMI Construction Services Pte Ltd (incorporated 7 January 2014) ^(g) Singapore Distribution of heavy equipment & spares | (c) | — | 100 | — |
| SMI Infrastructure Services Pte Ltd (incorporated 12 March 2014) ^(g) Singapore Infrastructure engineering services | (c) | — | 100 | — |
| Myanmar Infrastructure Group Pte Ltd (incorporated 12 March 2014) ^(g) Singapore Build, distribution and own telecom infrastructure | (c) | — | 100 | — |
| Kinnaya Pte Ltd (incorporated 30 June 2014) ^(g) Singapore Provider of serviced office | 9,892 | — | 65 | — |
| SMI F&B Pte Ltd (incorporated 12 Jan 2015) ^(d) Singapore Distribution of food & beverage items | (c) | — | 100 | — |
| SMI Auto Services Pte Ltd (incorporated 14 Jan 2015) ^(d) Singapore Provision of car rental & limousine service | (c) | — | 100 | — |
| SMI Retail Pte Ltd (incorporated 14 Jan 2015) ^(d) (Singapore) Distribution of duty free & retail products | (c) | — | 100 | — |
| SMI Mobile Pte Ltd (incorporated 5 Feb 2015) ^(d) (Singapore) Distribution of B2B telecom plans | (c) | — | 100 | — |
| <u>Held through Myanmar Infrastructure Group Pte Ltd:</u> | | | | |
| TPR Myanmar Co Ltd (incorporated 5 May 2014) ^(f) Myanmar Build, distribution and own telecom infrastructure (MAT Audit and Professional Services) | 388 | — | 99.9 | — |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

15. Investments in subsidiaries (cont'd)

| Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (Independent Auditors) | Cost in Books of Group | | Effective Percentage of Equity Held by Group | |
|--|---------------------------|----------|--|------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | % | % |
| <u>Held through Kinnaya Pte Ltd</u> | | | | |
| YGN Kinnaya Co Ltd (incorporated 12 Sep 2014) ^(f) | 388 | — | 100 | — |
| Myanmar | | | | |
| Provider of serviced office (MAT Audit and Professional Services) | | | | |
| <u>Held through SMI F&B Pte Ltd:</u> | | | | |
| SMI F&B MM Pte Ltd (incorporated 12 Jan 2015) ^(d) | (c) | — | 100 | — |
| Singapore | | | | |
| Distribution of food & beverage items | | | | |
| <u>Held through Windsor Metal Manufacture Co. Limited:</u> | | | | |
| Goodbase Overseas Limited ^(a) | (c) | (c) | 100 | 100 |
| Hong Kong | | | | |
| Manufacture and sale of PCB punching moulds (BDO Limited, Hong Kong) | | | | |
| Guozhou Windsor Limited ^(a) | 6 | 6 | 60 | 60 |
| Hong Kong | | | | |
| Provision of punching services/ sale of PCB punching moulds (BDO Limited, Hong Kong) | | | | |
| Iwasa Windsor Company Limited ^(a) | 5 | 5 | 51 | 51 |
| Hong Kong | | | | |
| Manufacture and sale of PCB punching moulds/ provision of punching services (BDO Limited, Hong Kong) | | | | |
| Lun Hsing Machinery Industrial (Kun Shan) Co., Ltd ^{(a) (b)} | 19,156 | 19,156 | 100 | 100 |
| The People's Republic of China | | | | |
| Manufacture and sale of PCB punching moulds/ provision of punching services (Kunshan Gongxin Certified Public Accountants Co.,Ltd) | | | | |
| National Chance Limited ^(a) | (c) | (c) | 100 | 100 |
| Hong Kong | | | | |
| Provision of electroplating services (BDO Limited, Hong Kong) | | | | |
| Shenzhen National Chance Metal Manufacture Co Ltd ^{(a) (b)} | 12,000 | 12,000 | 100 | 100 |
| The People's Republic of China | | | | |
| Manufacture of die-casting and plastic injection mould bases (Shengzhen Tianying Certified Public Accountants) | | | | |
| Kun Shan Lun Hsing Electronics Technologies Limited ^{(a) (b)} | 16,100 | 16,100 | 100 | 100 |
| The People's Republic of China | | | | |
| Provision of PCB punching services (Suzhou Hua Ming United Certified Public Accountants) | | | | |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

15. Investments in subsidiaries (cont'd)

| Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (Independent Auditors) | Cost in Books of Group | | Effective Percentage of Equity Held by Group | |
|---|---------------------------|----------|--|------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | % | % |
| Qinhuangdao Goodbase Precision Mould Limited ^{(a)(b)} The People's Republic of China Manufacture and sale of PCB punching moulds (Qinhuangdao Leading Certified Public Accountants Firm) | 3,080 | 3,080 | 100 | 100 |
| Goodbase Windsor Moulds (Shenzhen) Limited ^{(a)(b)} The People's Republic of China Manufacture and sale of PCB punching moulds (Shenzhen Tianying Certified Public Accountants) | 4,400 | 4,400 | 100 | 100 |
| National Chance Electroplating (Shenzhen) Limited ^{(a)(b)} The People's Republic of China Provision of PCB electroplating services. (Shenzhen Tianying Certified Public Accountants) | 600 | 600 | 100 | 100 |
| Guozhou Windsor Punching (Shenzhen) Limited ^{(a)(b)} The People's Republic of China Provision of PCB punching services (Shenzhen Tianying Certified Public Accountants) | 400 | 400 | 100 | 100 |
| Iwasa Windsor Moulds (Shenzhen) Limited ^{(a)(b)} The People's Republic of China Manufacture and sale of PCB punching moulds (Shenzhen Tianying Certified Public Accountants) | 1,076 | 1,076 | 100 | 100 |
| <u>Held through Iwasa Windsor Company Limited</u> Iwasa Windsor Precision Mould (Wuhan) Co., Ltd ^{(a)(b)} The People's Republic of China Manufacture and sale of PCB punching moulds (Hongfa Certified Public Accountant Co., Ltd) | 3,117 | 3,117 | 51 | 51 |

(a) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(b) Audited by BDO Limited, Hong Kong for consolidated financial statements purposes only.

(c) Cost of investment is less than HK\$1,000.

(d) Not audited, as it is immaterial.

(e) The subsidiary was disposed during the reporting year at the date shown.

(f) Audited by RSM International member firm in Myanmar.

(g) Audited by RSM Chio Lim LLP

(h) Reclassified as assets held for sale

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited the audit committee and the board of the directors of the company have satisfied themselves that the appointment of the different auditors for its overseas subsidiaries would not compromise the standard and the effectiveness of the audit of the group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

16. Other financial assets, non-current

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Available-for-sale investments:</u> | | |
| <u>Investment linked keyman life insurance policies as available-for-sale at fair value through profit or loss ^(a)</u> | | |
| Movements during the year: | | |
| Fair value at beginning of year | 12,980 | 13,039 |
| Add: Interest income | – | 439 |
| Less: Amortisation of prepaid insurance premium | – | (498) |
| Assets classified as held for sale | (12,980) | – |
| Fair value at year end | – | 12,980 |
| <u>Unquoted equity shares in corporation as available-for-sale at cost ^(b)</u> | | |
| Cost at beginning of the year | 3,412 | 3,412 |
| Assets classified as held for sale | (3,412) | – |
| Cost at end of the year | – | 3,412 |
| <u>Equity linked note at fair value through profit or loss</u> | | |
| Cost at beginning of the year | 2,003 | 1,962 |
| Increase in fair value through profit or loss | – | 41 |
| Assets classified as held for sale | (2,003) | – |
| Fair value at end of the year | – | 2,003 |
| Total financial assets | – | 18,395 |

(a) Investment linked keyman life insurance policies

The investment linked keyman insurance policies relates to life insurance purchased by a subsidiary for two of the directors of the subsidiary, Mr Chung Koon Wing and Mr Chung Wah Sang. The total insured amount of the four contracts is HK\$14.1million. Each of the contracts will mature on the date when the insured person reaches the age of 100 or death of the insured person whichever is earlier. At time of death of the insured person, 100% of the insured amount plus the accumulated dividends bonus will be payable to the company.

The fair value of investment linked keyman life insurance policies is based on the total cash surrender value of the contracts stated in the annual statements of these policies (Level 2).

The insurance contracts were pledged to a bank to secure the banking facilities granted to the group (Note 24).

(b) Unquoted equity shares in a corporation

Unquoted equity shares in corporations represent investment in the unquoted shares of Taiwanese and Hong Kong companies at cost.

The fair value of the unquoted investments as available-for-sale financial assets is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values.

Consequently the investment were carried at cost less allowance for impairment, if any.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

17. Other assets, non-current

| | Group | |
|---------------------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Deferred Tax Assets (Note 10B) | – | 3,227 |
| Land Use Rights (Note 17A) | – | 3,160 |
| Total Other Assets, Non-Current | – | 6,387 |

17A. Land use rights

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Cost:</u> | | |
| At beginning of year | 3,932 | 15,579 |
| Disposal of a subsidiary | – | (11,713) |
| Assets classified as held for sale | (3,932) | – |
| Foreign exchange translation adjustments | – | 66 |
| At the end of year | – | 3,932 |
| <u>Accumulated amortisation:</u> | | |
| At beginning of year | 772 | 1,411 |
| Amortisation for the year | – | 82 |
| Disposal of a subsidiary | – | (732) |
| Assets classified as held for sale | (772) | – |
| Foreign exchange translation adjustments | – | 11 |
| At the end of year | – | 772 |
| Net carrying value | – | 3,160 |
| <u>Balance to be amortised:</u> | | |
| Not later than one year | – | 82 |
| Later than one year and not later than five years | – | 328 |
| Later than five years | – | 2,750 |
| | – | 3,160 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

18. Inventories

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Raw materials and consumables | – | 15,798 |
| Work in progress | – | 1,366 |
| | – | 17,164 |
| Included in cost of sales: | | |
| Changes in work in progress | – | (239) |
| Raw materials and consumables used | – | 72,672 |
| Inventories are stated after allowance. Movements in allowance: | | |
| Balance at beginning of year | – | 1,928 |
| Charged to profit or loss included in other charges | – | 95 |
| Foreign exchange translation adjustments | – | (659) |
| Balance at end of year | – | 1,364 |

There are no inventories pledged as security for liabilities.

19. Trade and other receivables

| | Group | | Company | |
|--|----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| <u>Trade receivables:</u> | | | | |
| Outside parties | 17,781 | 92,272 | – | – |
| Less: Allowance for impairment | – | (452) | – | – |
| Subtotal | 17,781 | 91,820 | – | – |
| <u>Other receivables:</u> | | | | |
| Subsidiary (Note 3) | – | – | 34,317 | 9 |
| Expenses recoverable from ultimate controlling party | – | 997 | – | 997 |
| VAT receivable | 18 | 603 | – | – |
| Others | 577 | 4,953 | 327 | – |
| Subtotal | 595 | 6,553 | 34,664 | 1,006 |
| Total trade and other receivables | 18,376 | 98,373 | 34,664 | 1,006 |
| <u>Movement in above allowance:</u> | | | | |
| Balance at beginning of year | – | 3,221 | – | – |
| Reversed to profit or loss included in other credits | – | (2,763) | – | – |
| Foreign exchange translation adjustments | – | (6) | – | – |
| Balance at end of year | – | 452 | – | – |
| <u>Presented as:</u> | | | | |
| Trade and other receivables, current | 4,594 | – | – | – |
| Trade and other receivables, non-current | 13,782 | 98,373 | 34,664 | 1,006 |
| | 18,376 | 98,373 | 34,664 | 1,006 |

Trade receivables of HK\$17,781,000 (2014: HK\$Nil) are pledged as security for the bank facilities (see Note 24).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

20. Other assets, current

| | Group | | Company | |
|------------------------|---------------|--------------|------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Deposits | 2,446 | 97 | 414 | – |
| Prepayments | 9,255 | 1,980 | – | – |
| Income tax recoverable | – | 612 | – | – |
| | 11,701 | 2,689 | 414 | – |

21. Cash and cash equivalents

| | Group | | Company | |
|-----------------------|---------------|----------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Not restricted in use | 42,508 | 87,434 | 30,091 | 65,832 |
| Restricted in use (a) | 7,239 | 28,339 | – | – |
| | 49,747 | 115,773 | 30,091 | 65,832 |

(a) This is for bank balance held by bankers to cover other financial liabilities (Note 24).

The rate of interest for the cash on interest earning account of HK\$7,239,166 (2014: HK\$28,339,000) for the group is about 0.23% (2014: 0.05%) per annum.

21A. Cash and cash equivalents in the statement of cash flows:

| | Group | |
|---|---------------|---------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| As stated above | 49,747 | 115,773 |
| Bank overdrafts (Note 24) | – | (13,339) |
| Fixed bank deposits restricted in use over 3 months | (7,239) | (28,339) |
| Discontinued operations (Note 11A) | 38,400 | – |
| Cash and cash equivalents for statement of cash flows purposes at end of year | 80,908 | 74,095 |

21B. Non-cash transactions:

During the previous reporting year, there were acquisition of plant and equipment with a total cost HK\$1,678,204 acquired by means of finance leases.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

22. Share capital

| | Group and Company | |
|---|-------------------------------|------------------|
| | Number of shares issued | Share Capital |
| | | HK\$'000 |
| Ordinary shares of no par value: | | |
| Balance as at 1 April 2013 | 122,400,000 | 78,097 |
| Issue of shares at S\$0.22 each | 24,480,000 | 32,356 |
| Balance as at 31 March 2014 and 31 March 2015 | 146,880,000 | 110,453 |

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

During the year ended 31 March 2014, the company issued 24,480,000 ordinary shares for cash at S\$0.22 each by way of a placement.

Capital management:

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

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

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

| | Group | |
|---|----------|-----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Net debt: | | |
| All current and non-current borrowings including finance leases | 11,592 | 152,917 |
| Less: cash and cash equivalents | (49,747) | (115,773) |
| Net debt | (38,155) | 37,144 |
| Net capital: | | |
| Equity | 56,897 | 102,361 |
| Debt-to-adjusted capital ratio | N.M. | 36.29% |

N.M. – Not meaningful

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

22. Share capital (cont'd)

The improvement as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the exclusion of borrowings from the disposal of discontinued operations. There was an unfavourable change with decreased retained earnings. This resulted in the decrease of equity.

23. Other reserves

| | Group | |
|--------------------------------------|---------------|---------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Foreign Currency Translation Reserve | 19,305 | 21,366 |
| Statutory Reserves | 3,949 | 3,949 |
| | 23,254 | 25,315 |

(a) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

| | Foreign currency translation reserve |
|--|---|
| | HK\$'000 |
| Group | |
| Current Year: | |
| Opening Balance at 1 April 2014 | 21,366 |
| Exchange difference on translating foreign operation | (2,061) |
| Closing Balance at 31 March 2015 | 19,305 |
| Previous Year: | |
| Opening Balance at 1 April 2013 | 25,732 |
| Disposal of a subsidiary (Note 11B) | (6,705) |
| Exchange difference on translating foreign operation | 2,339 |
| Closing Balance at 31 March 2014 | 21,366 |

This reserve is not available for distribution as cash dividends.

(b) Statutory Reserves

Under the regulations in the People's Republic of China, a subsidiary is required to set up a statutory reserve which represents a non-distributable reserve made at a rate of 10% of net profit after tax. Contribution to this reserve is no longer mandatory when the reserve reaches 50% of the registered share capital of the subsidiary. The statutory reserve is not available for distribution as cash dividend. The reserve is to be used in accordance to the circumstances as stipulated in the relevant regulations.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

24. Other financial liabilities

| | Group | |
|--|---------------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Non-current:</u> | | |
| Outside parties (Note 24A) | – | 41,900 |
| Finance leases (Note 24D) | – | 4,141 |
| Bank loans (secured) (Note 24C) | 5,468 | – |
| Sub-total | 5,468 | 46,041 |
| <u>Current:</u> | | |
| Outside parties (Note 24A) | 839 | 1,000 |
| Bank overdrafts (secured) (Note 24B) | – | 13,339 |
| Trust receipts (secured) (Note 24B) | – | 54,991 |
| Bank loans (secured) (Note 24C) | 5,285 | 31,944 |
| Finance leases (Note 24D) | – | 5,602 |
| Sub-total | 6,124 | 106,876 |
| Total | 11,592 | 152,917 |
| The non-current portion is repayable as follows: | | |
| Due within 2 to 5 years | 5,468 | 46,041 |

The range of floating rate interest rates paid were as follows:

| | |
|--|----------------|
| Bank overdrafts and trust receipts (secured) | |
| 2014 | 4.75% to 6.25% |
| 2015 | – |
| Bank loans (secured) | |
| 2014 | 2.20% to 7.14% |
| 2015 | 2.20% to 6.58% |

The ranges of fixed rate interest rates paid were as follows:

| | |
|-----------------|----------------|
| Finance leases | |
| 2014 | 2.75% to 4.50% |
| 2015 | – |
| Outside parties | |
| 2014 | 3.00% to 5.00% |
| 2015 | 3.80% to 5.00% |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

24. Other Financial Liabilities (cont'd)

The weighted effective interest rates paid were as follows:

| | |
|--|----------------|
| Bank overdrafts and trust receipts (secured) | |
| 2014 | 4.50% to 6.25% |
| 2015 | – |
| Bank loans (secured) | |
| 2014 | 2.20% to 7.14% |
| 2015 | 2.20% to 6.58% |

The group's bank overdraft, trust receipts and bank loans are secured by:

- (i) a legal charge over the group's leasehold building located in China which carrying value is HK\$nil (2014: HK\$5,524,000) as at 31 March 2015 (Note 13);
- (ii) a legal charge over the group's investment property located in China which carrying value is HK\$nil (2014: HK\$5,880,000) as at 31 March 2015 (Note 14);
- (iii) pledge of the group's fixed bank deposits of HK\$7,239,000 (2014: HK\$28,339,000) as at 31 March 2015 (Note 21);
- (iv) pledge of a subsidiary's keyman life insurance contracts with a total cash surrender value of HK\$nil as at 31 March 2015 (2014: HK\$12,980,000) (Note 16); and
- (v) corporate guarantees from the company.
- (vi) floating charge on a subsidiary's trade receivables (Note 19)

24A. Outside parties loans

Outside parties are the business partners of the group. The principal and interest are due and payables upon maturity of the loans. The total for the loans of HK\$839,000 (2014: HK\$42,900,000) is at fixed rate interest. The fair value (Level 2) is a reasonable approximation of the carrying amount. The fair value of the loans were estimated by discounting the future cash flows payable under the terms of the loans using the year-end market interest rate 5% (2014: 5%) applicable to loans of similar credit risk, terms and conditions.

24B. Bank overdraft and trust receipts (secured)

The bank overdraft and trust receipts at floating rates of interest are repayable on demand.

24C. Bank loans (secured)

The total for bank loans (secured) is HK\$10,753,000 (2014: HK\$31,944,000) at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

The agreements for callable term bank loans as at 31 March 2014 included an overriding payment on demand clause which gives the lenders the right to demand repayment at any time, at their sole discretion irrespective of whether a default event has occurred. The callable term bank loans are therefore classified as current liabilities in their entirety, irrespective of the probability that the lender will exercise the demand clause. These loans have been repaid during the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

24. Other financial liabilities (cont'd)

24D. Finance leases

| | Minimum payments | Finance charges | Present value |
|--|---------------------|--------------------|------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 |
| <u>Group</u> | | | |
| <u>31 March 2014</u> | | | |
| Minimum lease payments payable: | | | |
| Due within one year | 5,919 | (317) | 5,602 |
| Due within 2 to 5 years | 4,306 | (165) | 4,141 |
| Total | 10,225 | (482) | 9,743 |
| Net book value of plant and equipment under finance leases | | | 15,932 |

It is the group's policy to lease certain plant and equipment under finance leases. The average lease term is 4 years. There is an exposure to fair value interest risk because the interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in Hong Kong dollar. The fair value of the lease obligations approximates to their carrying amount. The obligations under finance leases are secured by the lessor's charge over the lease assets.

25. Other payables, non-current

| | Group | | Company | |
|--|----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Non-controlling interests shareholders of subsidiaries | – | 2,716 | – | – |
| Loan from shareholder | 22,929 | – | 22,929 | – |
| | 22,929 | 2,716 | 22,929 | – |

The amount which is denominated in US dollars (2014: Hong Kong dollars), is unsecured. Interest is accrued on indebtedness at the rate of 2.34% per annum (2014: nil).

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Year ended 31 March 2015

26. Trade and other payables

| | Group | | Company | |
|---|----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| <u>Trade payables:</u> | | | | |
| Outside parties | 796 | 21,476 | – | – |
| Subtotal | 796 | 21,476 | – | – |
| <u>Other payables:</u> | | | | |
| Subsidiaries (Note 3) | – | – | 10,569 | 20,830 |
| Directors' loans (Note 3) | – | 4,637 | – | – |
| Accrued liabilities | 6,721 | 13,312 | 2,126 | 1,430 |
| Dividends payables | – | 43 | – | – |
| Other taxes | – | 8,117 | – | – |
| Deposit received for disposal of discontinued operation | 13,750 | – | 13,750 | – |
| Others | 556 | 11,156 | 7 | – |
| Subtotal | 21,027 | 37,265 | 26,452 | 22,260 |
| Total trade and other payables | 21,823 | 58,741 | 26,452 | 22,260 |

27. Financial instruments: information on financial risks

27A. Carrying amount of financial assets and liabilities

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

| | Group | | Company | |
|--|----------|----------|----------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Financial assets: | | | | |
| Cash and cash equivalents | 49,747 | 115,773 | 30,091 | 65,832 |
| Loans and receivables | 18,376 | 98,373 | 34,664 | 1,006 |
| Available-for-sale financial assets at fair value through profit or loss | – | 14,983 | – | – |
| Available-for-sale financial assets at cost | – | 3,412 | – | – |
| At end of year | 68,123 | 232,541 | 64,755 | 66,838 |
| Financial liabilities: | | | | |
| Measured at amortised cost: | | | | |
| - Borrowings | 11,592 | 152,917 | – | – |
| - Trade and other payables | 21,823 | 58,741 | 26,452 | 22,260 |
| At end of year | 33,415 | 211,628 | 26,452 | 22,260 |

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

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

27B. Financial risk management

The main market risks subject to exposure are interest rates and foreign exchange. There is also exposure to credit risk and liquidity risk. Credit risk on cash balances and derivative financial instruments is limited because the counter-parties are banks with high credit ratings. The Executive Director (Finance and Administrative) who monitors the procedures reports to the board.

The management has certain strategies for the management of financial risks and action to be taken in order to manage the financial risks. The following guidelines are followed:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

27C. Fair values of financial instruments

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

27D. Credit risk on financial assets

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

Note 21 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 60 days (2014: 60 days). Certain customers may also be given credit period of 5 to 24 months. But some customers may take a longer period to settle the amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

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

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

| | Group | |
|--------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Trade receivables: | | |
| 61 to 90 days | 861 | 12,563 |
| 91 to 150 days | 1,745 | 6,628 |
| Over 150 days | 9,831 | 4,636 |
| Total | 12,437 | 23,827 |

There is no fixed maturity for the available for sale investments.

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

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

| | Group 2015 |
|-----------------|---------------|
| | HK\$'000 |
| Top 1 customer | 5,112 |
| Top 2 customers | 8,048 |
| Top 3 customers | 10,490 |

27E. Liquidity risk – financial liabilities maturity analysis

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

| | Less than 1 year | 1 – 2 years | 2 – 5 years | Total |
|---------------------------------------|---------------------|-------------|-------------|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| <u>Group:</u> | | | | |
| Non-derivative financial liabilities: | | | | |
| <u>2015:</u> | | | | |
| Gross borrowings commitments | 6,124 | 5,650 | – | 11,774 |
| Trade and other payables | 21,823 | 23,465 | – | 45,288 |
| At end of the year | 27,947 | 29,115 | – | 57,062 |
| <u>2014:</u> | | | | |
| Gross borrowings commitments | 106,876 | 7,211 | 45,143 | 159,230 |
| Trade and other payables | 58,741 | – | – | 58,741 |
| At end of the year | 165,617 | 7,211 | 45,143 | 217,971 |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

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

| | Less than 1 year HK\$'000 |
|---------------------------------------|---------------------------------|
| <u>Company:</u> | |
| Non-derivative financial liabilities: | |
| <u>2015:</u> | |
| Trade and other payables | 26,452 |
| <u>2014:</u> | |
| Trade and other payables | 22,260 |

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. For financial guarantee contracts the maximum earliest period (within one year) in which the guarantee could be called is used (Note 31).

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 to 90 days (2014: 60 to 90 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows. In addition, the financial assets are held for which there is a liquid market and that are available to meet liquidity needs.

Bank facilities:

| | Group | |
|-------------------------------|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Undrawn borrowing facilities: | | |
| Loans facilities | – | 2,235 |
| Trading facilities | – | 14,669 |
| Lease facilities | – | 8,416 |
| Bank guarantees | – | 127,129 |

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for budgeted operations. A monthly schedule showing the maturity of financial liabilities and unused borrowing facilities is provided to management to assist them in monitoring the liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

27F. Interest rate risk

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

| | Group | |
|-------------------------------|---------------|----------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| <u>Financial assets:</u> | | |
| Floating rate | <u>7,239</u> | <u>28,339</u> |
| <u>Financial liabilities:</u> | | |
| Fixed rate | 839 | 52,643 |
| Floating rate | <u>10,753</u> | <u>100,274</u> |
| At end of year | <u>11,592</u> | <u>152,917</u> |

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

The interest from financial assets including cash balances is not significant.

27G. Foreign currency risk

Company

There is no significant exposure to foreign currency risk as the transactions are made in the company's functional currency.

Group

There is exposure to foreign currency risk as part of its normal business of the group. In particular, there is a significant exposure to the US Dollars & Singapore Dollars (2014: Chinese Renminbi) currency risk due to significant transactions made in Myanmar and Singapore.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

27G. Foreign currency risk (cont'd)

Analysis of amounts denominated in non-functional currencies:

| | Singapore Dollars HK\$'000 | United States Dollars HK\$'000 | Chinese Renminbi HK\$'000 |
|---|----------------------------------|---|---------------------------------|
| <u>2015:</u> | | | |
| <u>Financial assets:</u> | | | |
| Cash and cash equivalents | 7,901 | 41,846 | — |
| Loans and receivables | — | 13,187 | — |
| Total financial assets | 7,901 | 55,033 | — |
| <u>Financial liabilities:</u> | | | |
| Trade and other payables | 2,341 | 18,686 | — |
| Total financial liabilities | 2,341 | 18,686 | — |
| Net financial assets at end of the year | 5,560 | 36,347 | — |
| <u>2014:</u> | | | |
| <u>Financial assets:</u> | | | |
| Cash and cash equivalents | — | — | 17,660 |
| Loans and receivables | — | — | 75,033 |
| Total financial assets | — | — | 92,693 |
| <u>Financial liabilities:</u> | | | |
| Trade and other payables | — | — | 43,308 |
| Total financial liabilities | — | — | 43,308 |
| Net financial assets at end of the year | — | — | 49,385 |

Sensitivity analysis:

There is exposure to foreign currency risk as part of its normal business.

The effect on loss before tax for the group as follows:

| | Group | |
|---|------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| A hypothetical 10% strengthening in the exchange rate of the functional currency Hong Kong dollar against United States Dollar (USD) with all other variables held constant would have an adverse effect on pre-tax profit of | (3,634) | — |
| A hypothetical 10% strengthening in the exchange rate of the functional currency Hong Kong dollar against Singapore Dollars (SGD) with all other variables held constant would have an adverse effect on pre-tax profit of | (556) | — |
| A hypothetical 10% strengthening in the exchange rate of the functional currency Hong Kong dollar against Chinese Renminbi (CNY) with all other variables held constant would have an adverse effect on pre-tax profit of | — | (4,939) |

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

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

27G. Foreign currency risk (cont'd)

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

The analysis above has been carried out on the basis that there are no hedged transactions.

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

27H. Equity price risk

The fair value of the unquoted investments as available-for-sale financial assets is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently the investment is carried at cost less allowance for impairment, if any (Note 16).

Sensitivity analysis: The effect on post tax profit is not significant.

28. Capital commitments

| | Group | |
|--|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Share capital commitment for Kun Shan Lun Hsing Electronics Technologies Limited | 7,213 | 8,970 |

29. Operating lease payments commitments – as lessee

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

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Not later than one year | 1,030 | 6,884 |
| Later than one year and not later than five years | 429 | 5,857 |
| Rental expense for the year | 457 | 6,014 |

Operating lease payments mainly represent rental payable by the group for certain of its office and leased properties. The lease rental terms are negotiated for terms for 2 years (2014: 1 to 30 years) at fixed rentals.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

30. Operating lease income commitments – as lessor

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

| | Group | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Not later than one year | – | 505 |
| Later than one year and not later than five years | – | 1,606 |
| Rental income for the year | – | 478 |

Operating lease income commitments are for the investment property which had been reclassified as assets held for sale.

31. Contingent liabilities

| | Company | |
|---|----------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Corporate guarantee issued by the company to secure banking facilities for the subsidiaries | 15,508 | 47,986 |

32. Changes and adoption of financial reporting standards

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

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

(*) Not relevant to the entity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2015

33. Future changes in financial reporting standards

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

| <u>FRS No.</u> | <u>Title</u> | <u>Effective date for periods beginning on or after</u> |
|--------------------------|--|---|
| FRS 19 | Amendments To FRS 19: Defined Benefit Plans: Employee Contributions | 1 Jul 2014 |
| Various | Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment (*) FRS 103 Business Combinations (*) FRS 108 Operating Segments FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets (*) | 1 Jul 2014 |
| Various | Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations (*) FRS 113 Fair Value Measurement FRS 40 Investment Property | 1 Jul 2014 |
| FRS 1 | Amendments to FRS 1: Disclosure Initiative | 1 Jan 2016 |
| FRS 16, FRS 38 | Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 Jan 2016 |
| FRS 16, FRS 41 | Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*) | 1 Jan 2016 |
| FRS 27 | Amendments to FRS 27: Equity Method in Separate Financial Statements (*) | 1 Jan 2016 |
| FRS 110, FRS 28 | Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*) | 1 Jan 2016 |
| FRS 110, FRS 112, FRS 28 | Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception (*) | 1 Jan 2016 |
| FRS 111 | Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*) | 1 Jan 2016 |
| FRS 114 | Regulatory Deferral Accounts (*) | 1 Jan 2016 |
| Various | Improvements to FRSs (November 2014) (*) | 1 Jan 2016 |
| FRS 115 | Revenue from Contracts with Customers | 1 Jan 2018 |
| FRS 109 | Financial Instruments | 1 Jan 2018 |

(*) Not relevant to the entity.

STATISTICS OF SHAREHOLDINGS

As at 16 June 2015

STATISTICS OF SHAREHOLDINGS AS AT 16 JUNE 2015

| | | |
|-------------------------------------|---|--------------------|
| Issued and fully paid share capital | : | S\$24,249,600.00 |
| Total number of shares in issue | : | 146,880,000 |
| Class of shares | : | Ordinary shares |
| Voting rights | : | One vote per share |

There are no treasury shares held in the issued share capital of the Company.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 18.5% of the issued ordinary shares of the Company were held in the hands of the public as at 16 June 2015 and therefore Rule 723 of the Listing Manual is complied with.

DISTRIBUTION OF SHAREHOLDINGS

| Range of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|------------------------|---------------------|---------------|--------------------|---------------|
| 1 - 99 | — | — | — | — |
| 100 – 1,000 | 43 | 24.16 | 42,100 | 0.03 |
| 1,001 - 10,000 | 76 | 42.70 | 501,500 | 0.34 |
| 10,001 - 1,000,000 | 51 | 28.65 | 5,946,900 | 4.05 |
| 1,000,001 and above | 8 | 4.49 | 140,389,500 | 95.58 |
| TOTAL | 178 | 100.00 | 146,880,000 | 100.00 |

STATISTICS OF SHAREHOLDINGS

As at 16 June 2015

TWENTY LARGEST SHAREHOLDERS

| Name of Shareholders | No. of Shares | % |
|--|---------------|-------|
| MAYBANK KIM ENG SECURITIES PTE LTD | 117,032,000 | 79.68 |
| RHB SECURITIES SINGAPORE PTE LTD | 6,061,000 | 4.13 |
| DBS VICKERS SECURITIES (S) PTE LTD | 5,326,500 | 3.63 |
| CITIBANK NOMINEES SINGAPORE PTE LTD | 5,000,000 | 3.40 |
| HSBC (SINGAPORE) NOMINEES PTE LTD | 2,717,000 | 1.85 |
| PHILLIP SECURITIES PTE LTD | 1,971,000 | 1.34 |
| UOB KAY HIAN PTE LTD | 1,232,000 | 0.84 |
| LIU NAN | 1,050,000 | 0.71 |
| WEE HIAN KOK | 609,000 | 0.41 |
| LEE KEE SAN | 523,000 | 0.36 |
| DBS NOMINEES PTE LTD | 490,000 | 0.33 |
| ABN AMRO CLEARING BANK N.V. | 450,000 | 0.31 |
| COMAROFF EMI | 424,000 | 0.29 |
| RAFFLES NOMINEES (PTE) LTD | 327,000 | 0.22 |
| TAN ENG HOW | 275,000 | 0.19 |
| NG YUTING PRISCILLA | 232,000 | 0.16 |
| CHAN KEE HAM | 184,900 | 0.13 |
| DB NOMINEES (S) PTE LTD | 175,000 | 0.12 |
| SOH ENG TAI | 147,000 | 0.10 |
| QUAH SUAT LAY NANCY (KE XUELI NANCY) | 136,000 | 0.09 |
| | 144,362,400 | 98.29 |

SUBSTANTIAL SHAREHOLDERS

| Name | Direct Interest | | Deemed Interest | |
|---|------------------|-------|------------------|-------|
| | Number of Shares | % | Number of Shares | % |
| Ho Kwok Wai ¹ | – | – | 113,489,000 | 77.27 |
| Jet Palace Holdings Limited ¹ | 33,400,000 | 22.74 | – | – |
| Taipan Grand Investments Limited ¹ | 77,933,000 | 53.06 | – | – |

Note:

1. Ho Kwok Wai's aggregate deemed interest comprised 33,400,000 shares held by Jet Palace Holdings Limited, 77,933,000 shares held by Taipan Grand Investments Limited and 2,156,000 shares held by BSI Bank Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **SINGAPORE WINDSOR HOLDINGS LIMITED** (the "**Company**") will be held at 9 Battery Road, Straits Trading Building, 21st Floor, Singapore 049910 on Wednesday, 29 July 2015 at 10:00 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 March 2015 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of S\$191,452 for the financial year ended 31 March 2015. (2014: S\$156,111) **(Resolution 2)**
3. To re-elect Mr Ho Kwok Wai, a Director retiring under Article 91 of the Company's Articles of Association and who being eligible, will offer himself for re-election. **(Resolution 3)**
4. To re-elect Mr Wong Yen Siang, a Director retiring under Article 91 of the Company's Articles of Association and who being eligible, will offer himself for re-election. (see explanatory note 1) **(Resolution 4)**
5. To re-elect Mr Mark Francis Bedingham, a Director retiring under Article 97 of the Company's Articles of Association and who being eligible, will offer himself for re-election. **(Resolution 5)**
6. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS:

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

7. **Authority to Allot and Issue Shares** **(Resolution 7)**

"That pursuant to Section 161 of the Companies Act and Rule 806 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

 - (a) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares (collectively, "**Instruments**"),

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

- (i) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (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 (i) above, the total number of issued Shares shall be calculated and based on the total number of issued Shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (I) new Shares arising from the conversion or exercise of any convertible securities;
 - (II) new Shares arising from the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (III) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority granted by this Resolution, the Company shall comply with the provisions of Companies Act, the 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
- (iv) (unless revoked or varied by the Company in a general meeting), such authority granted under this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

(see explanatory note 2)

8. **Authority to grant awards and to allot and issue shares under SWH Performance Share Plan** **(Resolution 8)**

"That approval be and is hereby given to the Directors to grant awards from time to time in accordance with the provisions of SWH Performance Share Plan ("SWH PSP"), and, pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the awards under SWH PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to SWH PSP, when aggregated together with Shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued Shares excluding treasury shares from time to time."

(see explanatory note 3)

NOTICE OF ANNUAL GENERAL MEETING

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

BY ORDER OF THE BOARD

Wee Woon Hong
Lee Hock Heng
Company Secretaries
Singapore

6 July 2015

EXPLANATORY NOTES:

1. Mr Wong Yen Siang will, upon re-appointment as a Director of the Company, continue to serve as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. Mr Wong will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
2. The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.
3. The proposed Ordinary Resolution 8, if passed, will empower the Directors to offer and grant awards under SWH PSP (as from time to time amended, modified or supplemented), which was approved at the extraordinary general meeting of the Company on 30 July 2014, and to allot and issue Shares in the capital of the Company, pursuant to the vesting of the awards under SWH PSP provided always that the aggregate number of Shares to be issued under SWH PSP, when aggregated with Shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued Shares excluding treasury shares of the Company for the time being.

Notes:

- (i) A member of the Company entitled to attend and vote at the above Annual General Meeting may appoint not more than two proxies to attend and vote instead of him.
- (ii) Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
- (iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 300 Beach Road #29-01 The Concourse Singapore 199555, not less than 48 hours before the time appointed for holding the above Annual General Meeting.

Personal Data Privacy:

"Personal data" in this notice has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport No. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share register and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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SINGAPORE WINDSOR HOLDINGS LIMITED

(Company Registration Number 200505764Z)
(Incorporated in the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

Important:

1. For investors who have used their CPF monies to buy the Shares, this report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We* _____ (Name) NRIC/Passport number* _____ of

_____ (Address)

being a shareholder/shareholders* of SINGAPORE WINDSOR HOLDINGS LIMITED (the "Company") hereby appoint:

| Name | NRIC/Passport Number | Proportion of Shareholdings | |
|---------|----------------------|-----------------------------|---|
| | | Number of Shares | % |
| Address | | | |

and/or*

| Name | NRIC/Passport Number | Proportion of Shareholdings | |
|---------|----------------------|-----------------------------|---|
| | | Number of Shares | % |
| Address | | | |

or failing *him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary to demand a poll, at the AGM of the Company to be held at 9 Battery Road, Straits Trading Building, 21st Floor, Singapore 049910 on Wednesday, 29 July 2015 at 10:00 a.m. and at any adjournment thereof.

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

| No. | Resolutions relating to: | For | Against |
|-----|---|-----|---------|
| | Ordinary Business | | |
| 1. | Adoption of Directors' and Auditors' Reports, Audited Accounts for financial year ended 31 March 2015 | | |
| 2. | Approval of Directors' fees amounting to S\$191,452 for financial year ended 31 March 2015 | | |
| 3. | Re-election of Ho Kwok Wai as a Director | | |
| 4. | Re-election of Wong Yen Siang as a Director | | |
| 5. | Re-election of Mark Francis Bedingham as a Director | | |
| 6. | Re-appointment of RSM Chio Lim LLP as Auditors and authorize the Directors to fix their remuneration | | |
| | Special Business | | |
| 7. | Authority to allot and issue new shares in the Company and make/grant/offer Instruments | | |
| 8. | Authority to grant awards and to allot and issue shares under SWH Performance Share Plan | | |

* Delete accordingly

Dated this _____ day of _____ 2015

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at an AGM of the Company is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 300 Beach Road #29-01 The Concourse Singapore 199555, not less than 48 hours before the time appointed for the AGM.
4. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 percentage of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
8. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
10. Agent banks acting on the request of CPF investors who wish to attend the AGM as observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, address and number of shares held. The list, signed by an authorised signatory of the agent bank, has to deposit at the registered office of the Company not less than 48 hours before the time appointed for holding the AGM, providing the contact details of the bank's officers (who should be contactable during office hours, 2 working days before the time appointed for holding the AGM up to close of business of the date of the AGM).

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 July 2015.

Singapore Windsor Holdings Limited

300 Beach Road
#29-01 The Concourse
Singapore 199555