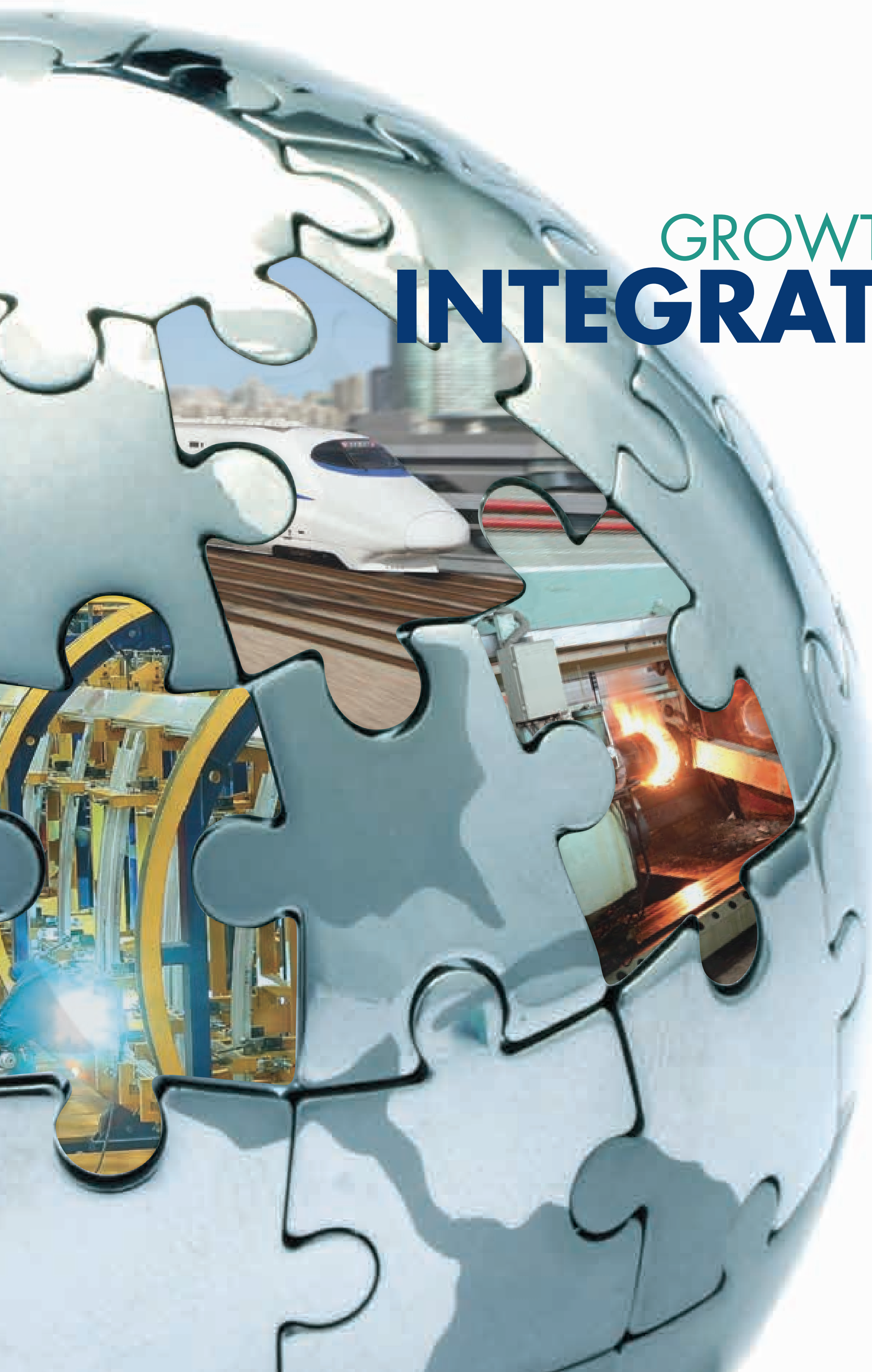
Midas Holdings Limited

(incorporated in Singapore with limited liability)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

GROWTH AND INTEGRATION



ANNUAL REPORT 2015

CORPORATE
STRUCTURE

CORPORATE OFFICE
Chen Wei Ping, Executive Chair
Chew Hwa Kwang, Patrick, Chi
Chan Chee Kin, Chief Financial

JILIN MIDAS ALUMINIUM INDUS
Li Zhenyu, General Manager

SHANXI WANSHIDA ENGINEER
Xu Honghong, General Manager

LUOYANG MIDAS ALUMINIUM
Sun Qixiang, General Manager

JILIN MIDAS LIGHT ALLOY CO.,
Hou Tiemin, General Manager

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CORPORATE PROFILE

Incorporated on 17 November 2000 as an investment holding company, listed on 23 February 2004 on Singapore Exchange Securities Trading Limited ("SGX-ST") and on 6 October 2010 on The Stock Exchange of Hong Kong Limited ("SEHK"), Midas Holdings Limited (the "Company" or "Midas", together with its subsidiaries, referred to the "Group") has grown over the years to gain recognition as a leading manufacturer of aluminium alloy extrusion products for the rail transportation sector in the People's Republic of China ("PRC") and international markets.

Under the Group are three business divisions, namely:

(a) the Aluminium Alloy Extruded Products Division,
(b) the Polyethylene Pipe ("PE Pipe") Division, and
(c) the Aluminium Alloy Plates and Sheets Division.

These three divisions are strategically located in the PRC to take on the opportunities as well as to capitalise on the potential benefits of the vast developments that are taking place in the infrastructure and rail transport sectors.

Besides our core business, we have a 32.5% stake in a metro train manufacturing company in the PRC, CRRC Nanjing Puzhen Rail Transport Co., Ltd. ("NPRT") (formerly known as Nanjing SR Puzhen Rail Transport Co. Ltd.)

ALUMINIUM ALLOY EXTRUDED PRODUCTS DIVISION

Our Aluminium Alloy Extruded Products Division consists of two wholly-owned subsidiaries, namely, Jilin Midas Aluminium Industries Co., Ltd. ("Jilin Midas") and Luoyang Midas Aluminium Industries Co., Ltd. ("Luoyang Midas"). This division is a leading manufacturer of aluminium alloy extrusion products for the passenger rail transportation sector in the PRC and international markets. It is our principal business division and accounted for 99.2% of our total revenue for the financial year ended 31 December 2015 ("FY2015"). We are also one of the first and amongst the few in the PRC aluminium alloy extrusion industry to possess capabilities for the downstream fabrication of passenger train car body components. We have an established track record of supplying aluminium alloy extrusion products to many metro and high-speed train projects in the PRC since 2003, representing a majority of the aluminium metro and high-speed train projects in the PRC during this period.

Our customers include major PRC train manufacturer CRRC Corporation Limited, and the top three global train manufacturers, namely, Bombardier Inc. ("Bombardier"), Siemens AG ("Siemens") and Alstom Transport ("Alstom").

Our large section aluminium alloy extrusion products are used in a variety of industries. They are utilised in the rail transportation industry to manufacture body frames of high-speed trains and metro trains. In addition, our aluminium alloy products are also used in power stations for power transmission purposes, electrical energy distribution, transmission cables as well as production of mechanical parts for industrial equipment.

Our Aluminium Alloy Extruded Products Division currently has six production lines, with annual production capacity of up to 60,000 tonnes and downstream fabrication lines that are able to process train car body components for approximately 1,300 train cars.

CORPORATE **PROFILE**

In order to meet the increasing demand from our PRC passenger rail transportation customers, we had set up a new production plant in Luoyang City, Henan Province, PRC. This was in line with our strategy to expand our aluminium extrusion capacity in a new geographic location beyond north-eastern PRC to be in closer proximity to our customers. The new plant had commenced commercial production in the second quarter of 2015 and we have entered into a master supply agreement with Luoyang CSR Mass Transit Vehicle Co., Ltd ("Luoyang CSR"). Under the terms of the agreement, Luoyang CSR has agreed to procure 100% of its requirements for aluminium alloy extrusion products and fabricated parts from Luoyang plant on a "preferred supplier basis".

Since 2004, we have successfully exported/secured contracts to supply large section aluminium alloy extruded profiles to manufacture body frames for metro train/high-speed train projects in various countries, including Belgium, Singapore, Russia, Iran, Saudi Arabia, South Korea, Malaysia, Turkey, Brazil, Switzerland, Norway, United States, etc.

Moving forward, we aim to expand our international presence by capitalising on opportunities emanating from the overseas market.

We have participated in many metro train projects in the PRC since 2003 in cities including Changchun, Guangzhou, Hangzhou, Kunming, Nanjing, Ningbo, Shanghai, Shenzhen, Tianjin and Zhengzhou.

We are currently the market leader in supplying large section aluminium alloy extruded profiles for the railway industry in the PRC. Significantly, we were appointed as the supplier for some major high-speed and inter-city train projects in the PRC, including:

- Beijing to Tianjin High-Speed Train Project
- Regional Line EMU Phase 1 Project
- CRH3-380 Project
- CRH3-300 Project
- CRH5 EMU Project
- CRH1 EMU Project
- Pearl River Delta Inter-City Train Project (Dongguan – Shenzhen Section)
- Dongguan – Huizhou Inter-City Train Project
- Nanjing – Gaochun Inter-City Rail Project

We are a certified supplier for the world's top three renowned train manufacturers, which is a testimony and endorsement of the quality of our aluminium alloy extrusion products. This recognition given by Alstom, Siemens and Changchun Bombardier Railway Vehicles Co., Ltd ("CBRC") has provided us the platform to expand our business both in the PRC and the international markets. CBRC is a joint venture between Bombardier, the world leader in rail cars manufacturing, and PRC's leading train manufacturer, CRRC Changchun Railway Vehicles Co., Ltd.

CORPORATE PROFILE

In addition, Jilin Midas has entered into a Master Agreement with Siemens Aktiengesellschaft, Berlin und München, Sector Infrastructure & Cities, Division Rail Systems. Under this agreement, Siemens will engage Jilin Midas as a long term high-technology supplier of aluminium alloy extrusion products in the context of long term partnership-based cooperation on a global basis.

The recognition for our manufacturing capability of aluminium alloy extrusion products positions us for greater growth in the PRC and international markets.

PE PIPE DIVISION

Our PE Pipe Division manufactures PE pipes for use in gas piping networks and water distribution networks.

Made of high density polyethylene, PE pipes are relatively light-weight and chemically inert. Considered as viable substitutes for traditional concrete and metal pipes, PE pipes are easier and safer to install, more durable and flexible. Our PE pipes are non-toxic in nature, cost efficient and possess high resistance to corrosion.

Broadly categorised into two types of PE pipes, namely the Gas PE Pipes and the Water PE Pipes which are manufactured through the extrusion process. We manufacture the various parts required in a piping network, including pipes, joints and fittings.

Our PE Pipe Division accounted for 0.8% of our total revenue for FY2015. As we consider our PE Pipe Division to be a non-core business, representing a relatively small portion of our Group's revenue, we currently do not have plans to further expand our PE Pipe business.

ALUMINIUM ALLOY PLATES AND SHEETS DIVISION

Our Aluminium Alloy Plates and Sheets Division will focus on manufacturing high precision, high specification aluminium alloy plates, sheets, strips and foils to further diversify our products. We will target a broader scope of transportation related industries, such as aviation, railway, automobile and shipbuilding. Commercial production is expected to commence in 2016 with a planned annual production capacity of up to 100,000 tonnes.

ASSOCIATE

We have a 32.5% equity stake in a Sino-foreign joint venture, NPRT, which started commercial production in 2007. Many PRC cities have plans to build metro lines to facilitate urban transportation; we believe that NPRT will be a direct beneficiary of the high growth metro train industry in the PRC given the limited number of players in the market.

Since inception, NPRT, together with its consortium partners, has secured many high profile metro train projects in various cities in the PRC, including Dongguan, Guiyang, Hangzhou, Hefei, Nanjing, Shanghai, Shenzhen, Suzhou and Wuxi.

MOVING FORWARD

Moving forward, we are committed to springboard towards greater expansion, growth value creation, as well as strengthening our key competencies.

CORPORATE **PROFILE**

MAJOR AWARDS AND CERTIFICATES

Since our inception, we have received the following major awards and certificates:

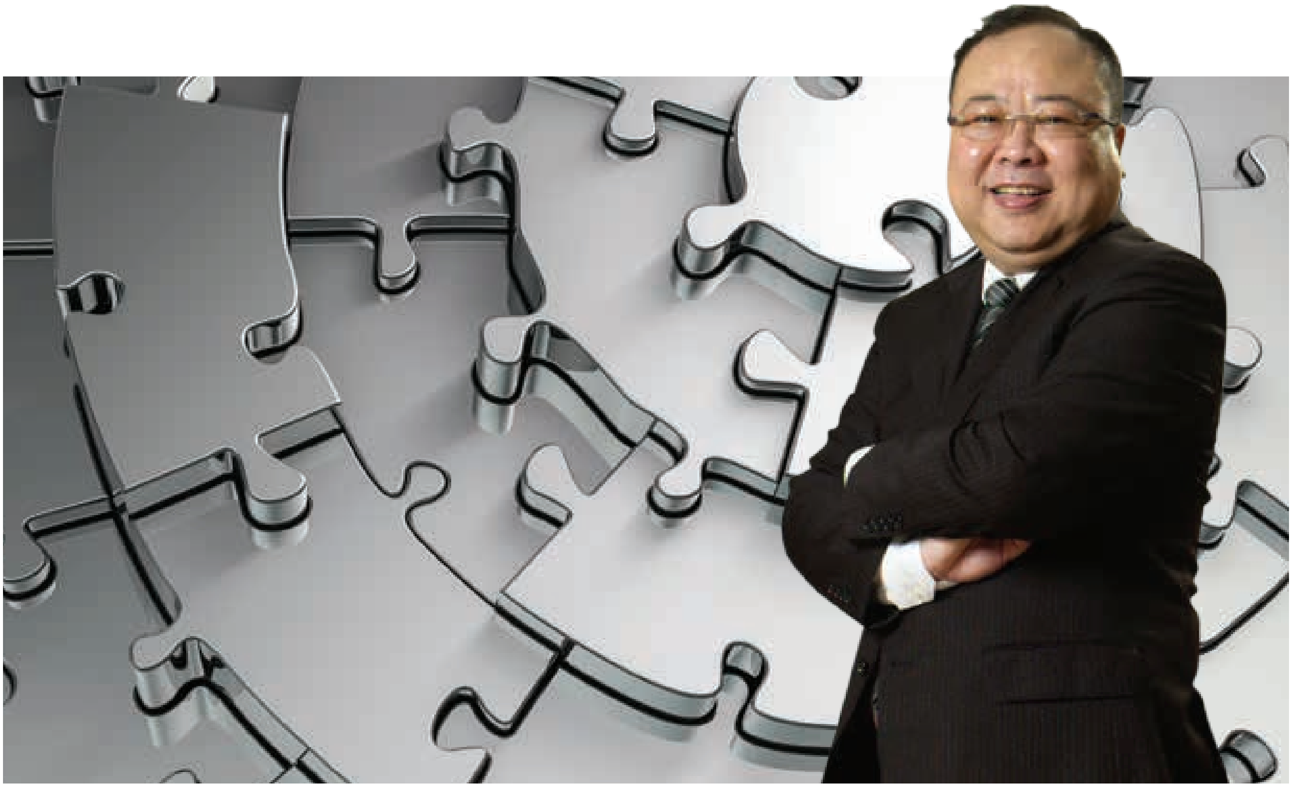
Awards/Certification	Awarding body	Year of Award/ Certification
Winner of Most Transparent Company Award 2012, 2013, 2014 and 2015 for the Chemical & Resources Category	Securities Investors Association (Singapore)	2015, 2014, 2013 and 2012
Our Stars For Rail Systems 2014	Siemens Rail Systems[2]	2014
Supplier of the Year Award (2011)	Bombardier Transportation[2]	2012
Well-Known Trademark	Trademark Office of the State Administration for Industry & Commerce of the PRC	2010
Singapore Corporate Awards "Best Investor Relations Award (Gold)" in the category of "S$300 million to less than S$1 billion market capitalisation	The Business Times, supported by the Singapore Exchange Ltd. with various partners[1]	2010
IRIS Certificate – category of manufacturing and services of aluminium alloy car body profiles for rail cars	Bureau Veritas Certification (an IRIS approved certification body)	2009
Asia "Best Under A Billion" Enterprise	Forbes Asia	2009, 2008, 2007 and 2006
EN 15085-2 certification for the welding of railway vehicles and components	GSI SLV Duisburg	2009
"Leading Partners 150" Programme, a programme by Alstom to identify 150 suppliers globally as preferred suppliers for all projects undertaken with Alstom globally	Alstom[2]	2008
Quality Focus Global Sourcing Grade "A" International Certification	Alstom[2]	2007
2007 China's Top Brand	General Administration of Quality Supervision, Inspection and Quarantine of the PRC	2007
ISO 9001:2000 quality management standard	China Xin Shi Dai Certification Center, an accredited certification body by the International Organisation for Standardisation	2007
Certified supplier of aluminium alloy extrusion products	Changchun Bombardier[2]	2005
Preferred long-term supplier of aluminium alloy products	Siemens[2]	2005

Notes:

(1) The Singapore Corporate Awards are organised by The Business Times, supported by the Singapore Exchange Ltd. with the following partners: Institute of Certified Public Accountants of Singapore, Singapore Institute of Directors, Citigate Dewe Rogerson, i.MAGE, The Corporate Governance & Financial Reporting Centre of the NUS Business School, National University of Singapore, Aon Consulting and Egon Zehnder International. Supporting partners include Securities Investors Association (Singapore) and Investment Management Association of Singapore.

(2) These awarding bodies are also our customers.

MESSAGE FROM THE EXECUTIVE CHAIRMAN



DEAR SHAREHOLDERS,

On behalf of the Board of Midas Holdings Limited, I am delighted to present to you our Annual Report for FY2015.

Prospects of the railway industry in the PRC remained positive in 2015, even as the macro environment was plagued by weak global economic growth and market volatility. Railway investments accelerated in the second half of 2015 in the PRC and the Chinese government continued the promotion of its high-speed rail technology globally.

The positive market dynamics was reflected in our earnings growth as we recorded a 7.7% increase in net profit after tax of RMB57.2 million for FY2015, from RMB53.1 million a year ago. Midas also enjoyed a stable stream of contract wins of approximately RMB928.6 million during the year.

DELIVERING ON OUR STRATEGY

Building on our strong foundation, we recorded total revenue of RMB1,512.2 million and a net profit after tax of RMB57.2 million for FY2015.

Our core Aluminium Alloy Extruded Products unit – Jilin Midas – secured RMB928.6 million worth of high-speed train and metro train car body components in 2015 for contracts in the PRC and international markets. The increased demand for our aluminium alloy extrusion products is representative of the confidence our new and repeat customers have in us as well as our leadership position in the high-speed train and metro train segments.

In addition, we received our single largest export contract to-date and our maiden rail contract in the United States worth approximately US$58.3 million during the year. Together with contracts for the Singapore and Malaysian markets, approximately 41.6% of new orders secured in FY2015 were from outside the PRC. These contracts add to our growing international presence which spans Europe, Middle East, South America and Asia.

To meet the anticipated increase in demand given the growth and burgeoning opportunities in the railway industry, we also embarked on capacity expansion efforts. Our second aluminium alloy extrusion facility – Luoyang Midas, was completed in FY2015, expanding our extrusion production capacity to 60,000 tonnes per year and fabrication capacity to 1,300 train cars annually.

Other strategic moves to maintain our dominant market position include the proposed acquisition of Huicheng Capital Limited, a producer of aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils. This will further diversity our product range. We would also be able to expand into new industries and sectors while harnessing synergies from the vertical integration of our businesses.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

CORPORATE GOVERNANCE AND TRANSPARENCY

The Group was also recognised for its efforts to demonstrate exemplary corporate governance and transparency practices in 2015. Midas was conferred the "Most Transparent Company Award" at the Singapore Investors Association (Singapore) 16th Investors' Choice Awards. This marks the fourth year running that Midas has topped the list in corporate governance for the 'Chemical & Resources' Category.

Following the "Best CEO Award" awarded to the Group's CEO at the Singapore Corporate Awards ("SCA") 2014, Mr. Patrick Chew, in the prior year, another key member of our management team involved in the formulation and execution of the Group's business strategies, Mr. Chan Chee Kin, CFO, was awarded the "Best Chief Financial Officer" Award, for companies with S$300 million to less than S$1 billion in market capitalisation, at the SCA 2015. He was honoured for his role in promoting good corporate governance, disclosure and transparency practices.

DIVIDENDS

To thank shareholders for their unwavering support, the Board of Directors is pleased to propose a final cash dividend of 0.25 Singapore cent per share. Together with an earlier interim dividend of 0.25 Singapore cent per share paid, the Group's total dividend declared for FY2015 is 0.5 Singapore cent per share, equivalent to a 48.7% payout of our FY2015 net profit after tax.

PUSHING AHEAD

In spite of China's slowing economic momentum, outlook for the PRC railway sector remains positive as the Chinese government plans to make investments of RMB800 billion in the railway network in 2016 and pursues international rail projects actively.

China's "One Belt, One Road" program to create economic opportunities via links with its regional partners also bodes well for our industry. Market players expect new infrastructure projects including railway projects to be unveiled as part of the programme to establish trade and transport links between Asia and Europe. According to China Railway Corporation, the national railway operator in China which manages all commuter rail and freight transport, the budget for infrastructure investment over the 2016 – 2020 five-year plan period could exceed RMB4 trillion.

Midas has made concerted efforts to strengthen the business, placing us in a good position to seize opportunities that arise from the favourable industry trends. To this end, we will continue to work tirelessly to build on our strengths and good reputation as a leading supplier of quality products for the passenger rail transportation sector. As we press on, we remain optimistic about further strengthening our position in 2016.

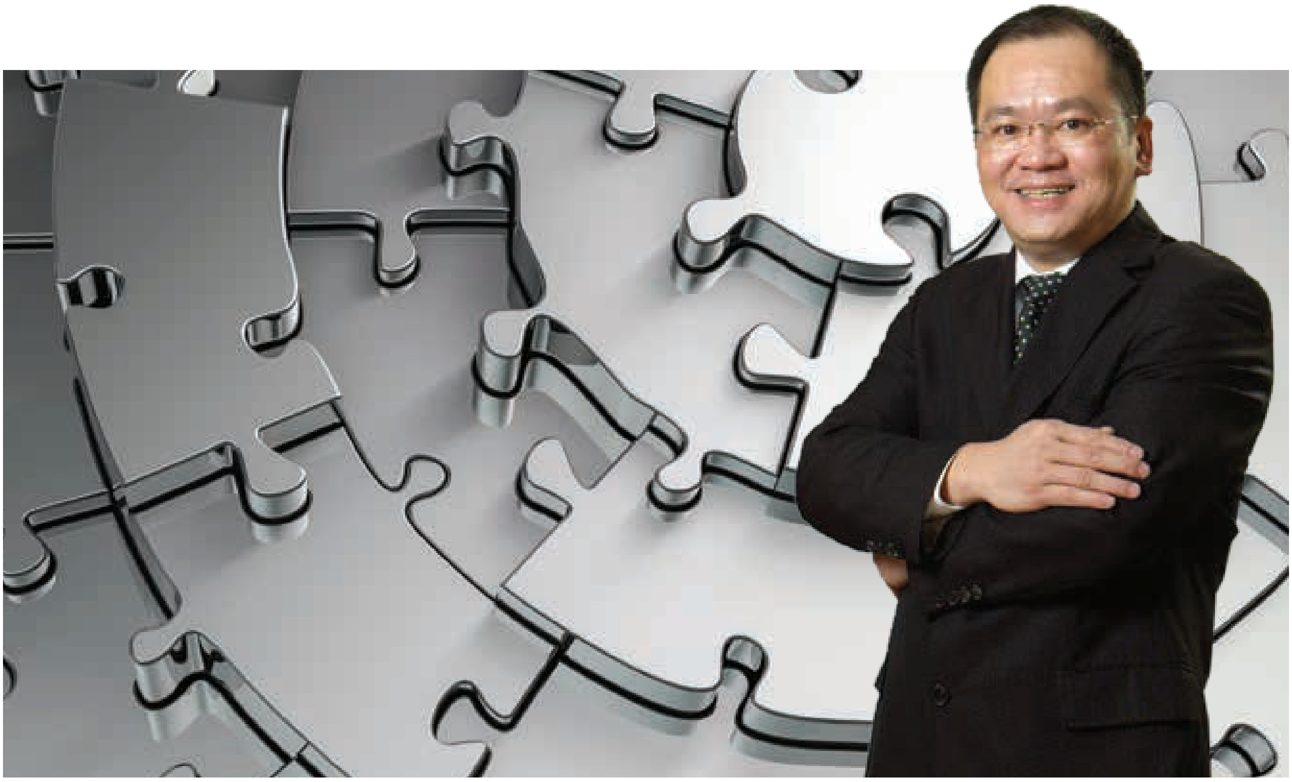
ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to thank our valued shareholders, employees and business partners for their dedication and faith in us.

Midas was built on the collective hard work and commitment of all stakeholders and we hope to thrust forward in the upcoming year with your continued support. Thank you!

CHEN WEI PING
Executive Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



DEAR SHAREHOLDERS,

Midas turned in a creditable set of results for FY2015, with improved revenue and profits. The Group was well-positioned to benefit from positive industry trends as the global rail industry expanded and secured RMB928.6 million worth of contracts during the year. Our associated company, NPRT, also put up a strong performance in FY2015 and contributed a higher share of earnings.

FY2015 FINANCIAL REVIEW

Midas recorded a 14.7% increase in revenue to RMB1,512.2 million in FY2015, compared to RMB1,317.9 million a year ago ("FY2014"), with our Aluminium Alloy Extruded Products Division accounting for 99.2% of total revenue or RMB1,500.6 million in FY2015.

Within the Aluminium Alloy Extruded Products Division, the Transport Industry was the largest revenue contributor, accounting for 81.2% of the division's revenue in FY2015, with the Power Industry and Others segment accounting for the remaining 3.5% and 15.3% respectively.

In tandem with the rise in revenue, cost of sales rose 14.2% to RMB1,105.4 million in FY2015, from RMB967.6 million in the preceding period.

Consequently, the Group's overall gross profit margin increased from 26.6% in FY2014, to 26.9% in FY2015, due to a higher gross profit margin of 27.0% achieved at the Group's Aluminium Alloy Extruded Products Division, compared to 26.8% in FY2014.

The Group posted a 68.8% rise in other income from RMB14.1 million in FY2014, to RMB23.8 million in FY2015. Other income comprises mainly interest income and income derived from the disposal of scrap materials and grants received at the Group's Aluminium Alloy Extruded Products Division.

Selling and distribution expenses rose 21.0% to RMB73.4 million in FY2015 from RMB60.7 million in FY2014, on the back of the growth in business volume resulting in higher transportation, travelling and packaging costs. Administrative expenses increased to RMB172.6 million in FY2015, from RMB148.3 million a year ago, mainly due to higher depreciation, other taxes and staff costs.

Finance costs increased 8.2% to RMB139.0 million in FY2015. Approximately RMB124.7 million (FY2014: RMB120.9 million) of the interest on borrowings used to finance the construction of property, plant and equipment for the new plants was capitalised.

Share of contributions from the Group's associated company, NPRT, rose to RMB31.7 million in FY2015 from RMB29.0 million in FY2014, mainly due to a different project mix during the year.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Income tax expenses increased by about RMB17.2 million to RMB20.0 million in FY2015, largely due to lower deferred tax income for two operating subsidiaries – Luoyang Midas and Jilin Midas Light Alloy Co., Ltd. ("JMLA") in the year under review compared to FY2014. Separately, Jilin Midas was awarded a High Technology Enterprise status, which enabled it to benefit from a concessionary tax rate of 15% for the financial years ending December 31, 2011 to December 31, 2016.

As a result, the Group ended the year with a 7.7% increase in net profit after tax of RMB57.2 million for FY2015, from RMB53.1 million a year ago.

ROBUST ORDER BOOK

2015 was a dynamic year of developments for Midas as we capitalised on a positive railway industry tailwind to secure approximately RMB928.6 million in new orders. Part of the new orders comprised of the following projects in the PRC, Malaysia and Singapore:

- Lanzhou Metro;
- Nanchang Metro Line 2;
- Wuhan Metro Line 2;
- KLIA Ekspres and KLIA Transit Trains;
- Singapore Downtown Line;
- Nanjing Metro Ninghe Intercity Line;
- Shenzhen Rail Transit Line 9;
- Hefei Rail Transit Line 1; and
- Suzhou Rail Transit Line 4.

New orders from the PRC high-speed rail market secured during the year include contracts from CRRC Changchun Railway Vehicles Co., Ltd totalling RMB216.5 million and CRRC Tangshan Railway Vehicle Co., Ltd worth RMB143.5 million.

In addition to the contracts listed above, the Group also made its maiden foray into the United States rail market with a US$58.3 million contract for the supply of aluminium alloy extrusion profiles and fabricated parts for a rail project. This also marked Midas' single largest export contract to-date and underscores our growing competitiveness, as a quality international supplier of aluminium alloy extruded products.

As such, the Group welcomed 2016 with a strong order book of approximately RMB900 million as at 31 December 2015.

KEEPING THE MOMENTUM

As the global railway sector continues to expand, the Group expects a corresponding increase in opportunities within the industry and will continue to actively identify and harness opportunities in both the PRC and international markets.

Our focus on diversification and capacity expansion contributes to our growing competitiveness. We expect our cold-rolled aluminum alloy plates and sheets plant – JMLA – in Liaoyuan City, Jilin Province, PRC, to commence commercial production in 2016. This follows the prior completion of our second aluminium alloy extrusion facility – Luoyang Midas – located in Luoyang City, Henan Province, PRC, in 2015. The team will continue to evaluate suitable opportunities to grow and diversify our product range.

In November 2015, we announced the proposed acquisition of Huicheng Capital Limited, a producer of aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils with a broad range of applications. The proposed acquisition offers Midas an opportunity to expand our customer base from cross selling opportunities. The Group will provide further updates in due course.

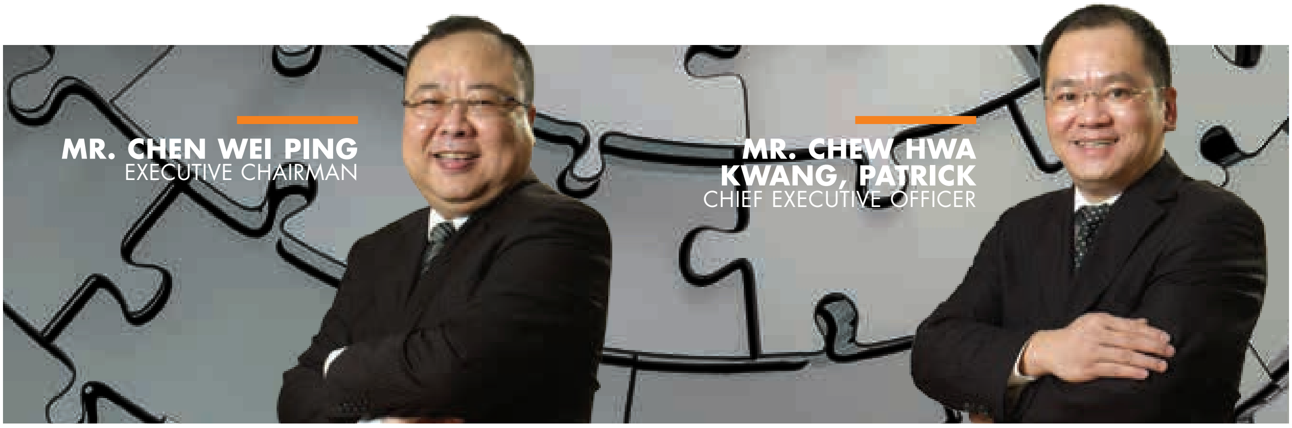
Looking ahead, we remain optimistic about further strengthening our market position in the coming year by leveraging on our competitive advantage as a leading supplier of aluminium alloy extruded products in the PRC, extensive business network and strong track record.

IN APPRECIATION

On behalf of management, I would like to thank all our shareholders, staff, business partners and associates for your continued support and collective efforts in 2015. We have not rested on our laurels and will continue to look out for new opportunities while taking definitive steps to grow the business and create synergies between business units.

CHEW HWA KWANG, PATRICK
Chief Executive Officer

BOARD OF DIRECTORS



Mr. Chen Wei Ping, aged 55, was appointed as our Director on 21 August 2002 and has been Executive Chairman of our Company since March 2003. Mr. Chen is instrumental in developing and steering our Group's corporate direction and strategies. Mr. Chen is responsible for the effective management of business relations with our strategic partners. In addition, Mr. Chen spearheaded the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chen has more than twenty years of management experience and holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) as well as a Master Degree in Economics from Jilin University (PRC).

Mr. Chew Hwa Kwang, Patrick, aged 53, is a founding member of our Group and is our Chief Executive Officer who is responsible for the overall operations and finance of our Group and its financial well-being. Mr. Chew is responsible for identifying future business opportunities and services which our Group may provide to drive future growth. Mr. Chew is also in charge of overseeing the day-to-day management of our Group as well as our Group's strategic and business development. Mr. Chew has served as our Executive Director since November 2000 and played a major role in the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chew has more than twenty years of management experience.

BOARD OF DIRECTORS

Mr. Chan Soo Sen, aged 59, was appointed as an Independent Non-Executive Director on 29 June 2006. Mr. Chan was a Minister of State and had served in several ministries including the Ministry of Education, Ministry of Trade and Industry and Ministry of Community Development, Youth and Sports. Before entering the political scene, Mr. Chan started up the China-Singapore Suzhou Industrial Park as the founding CEO in 1994, laying the foundation and framework for infrastructure and utilities development. Mr. Chan holds a Master of Management Science from the University of Stanford, United States of America and is a director of a few listed companies in Singapore and an Adjunct Professor in the Nanyang Technological University.

Dr. Xu Wei Dong, aged 56, was appointed as an Independent Non-Executive Director on 17 March 2010. Dr. Xu is currently a professor and a PhD supervisor of the School of Law, Jilin University (PRC). Dr. Xu graduated from the School of Law (formerly known as the Law Department), Jilin University (PRC) with a Bachelor Degree in 1982. He obtained a Master Degree in law in 1989 and a Doctoral Degree in economics in 2002, both from Jilin University (PRC). Between June 2000 and December 2004, Dr. Xu served as the Deputy Dean of the School of Law, Jilin University. He was promoted to become the Dean of the School of Law, Jilin University in December 2004 and held such position till December 2008. Dr. Xu concurrently holds senior positions in various law related institutions and organisations. Dr. Xu is the deputy chairman of Commercial Law Research Department of the China Law Society, executive director and secretary general of the Legal Education Research Department of the China Law Society, an arbitrator with China International Economic and Trade Arbitration Commission, and a lawyer with the Changchun Branch of Dacheng Law Office. Dr. Xu is also a member of the National Legal Profession Examination Coordination Committee; a member of the Advisory Committee of the Changchu Municipal Government; and a member of the Legislation Advisory Committee of the Heilongjiang Provincial Government. Dr. Xu is currently an independent non-executive director of a company listed on the Shenzhen Stock Exchange.

Mr. Tong Din Eu, aged 51, was appointed as an Independent Non-Executive Director and Lead Independent Director of our Company on 8 August 2011 and 14 November 2013 respectively. Mr. Tong holds a Bachelor Degree in Accountancy from the National University of Singapore and passed the examinations to be a CFA. Mr. Tong has many years of experience in corporate finance and had advised many regional initial public offerings and merger & acquisitions transactions.

EXECUTIVE OFFICERS

MR. LI ZHENYU AGED 46

Mr. Li is the General Manager of Jilin Midas Aluminium Industries Co., Ltd. Mr. Li is responsible for the overall business operations of our Aluminium Alloy Extruded Products Division. Mr. Li holds a Bachelor Degree in Mechanical Design and Manufacturing from Shenyang Jianzhu University (PRC). Mr. Li joined our Group in April 2001.

MR. CHAN CHEE KIN AGED 41

Mr. Chan is our Chief Financial Officer responsible for the financial management and reporting functions of our Group. Mr. Chan holds a Bachelor Degree in Accountancy (Second Upper Class Honours) from the Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants (CA Singapore). Mr. Chan joined our Group in January 2003.

MR. XU HONGHONG AGED 45

Mr. Xu is the General Manager of Shanxi Wanshida Engineering Plastics Co., Ltd. ("Wanshida") Mr. Xu is responsible for the overall business operations of our PE Pipe Division. Mr. Xu holds a Bachelor Degree in Plastics Engineering from Qingdao University of Science and Technology (PRC). Mr. Xu joined Wanshida in September 2000.

MR. SUN QIXIANG AGED 53

Mr. Sun is the General Manager of Luoyang Midas Aluminium Industries Co., Ltd, Mr. Sun holds a Bachelor Degree in Accountancy from Jilin Finance & Trade College (PRC). Mr. Sun joined our Group in April 2001.

MR. HOU TIEMIN AGED 53

Mr. Hou is the General Manager of Jilin Midas Light Alloy Co., Ltd, Mr. Hou holds a Bachelor Degree from Jilin Province Economic Management Cadre College (PRC). Mr. Hou joined our Group in April 2011.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

MR. CHEN WEI PING *Executive Chairman*
MR. CHEW HWA KWANG, PATRICK *Chief Executive Officer*
MR. CHAN SOO SEN *Independent Non-executive Director*
DR. XU WEI DONG *Independent Non-executive Director*
MR. TONG DIN EU *Independent Non-executive Director*
Lead Independent Director

AUDIT COMMITTEE
Mr. Tong Din Eu, Chairman
Mr. Chan Soo Sen
Dr. Xu Wei Dong

NOMINATING COMMITTEE
Dr. Xu Wei Dong, Chairman
Mr. Tong Din Eu
Mr. Chan Soo Sen

REMUNERATION COMMITTEE
Mr. Chan Soo Sen, Chairman
Mr. Tong Din Eu
Dr. Xu Wei Dong

SINGAPORE COMPANY SECRETARY
Ms. Tan Cheng Siew
@ Nur Farah Tan, ACIS

HONG KONG COMPANY SECRETARY
Ms. Mok Ming Wai

HONG KONG AUTHORISED REPRESENTATIVES
Mr. Chew Hwa Kwang, Patrick
Ms. Mok Ming Wai

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Partner-in-charge: Mr. Chan Hock Leong
(Appointed with effect since financial
year ended 31 December 2013)

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ASSOCIATE

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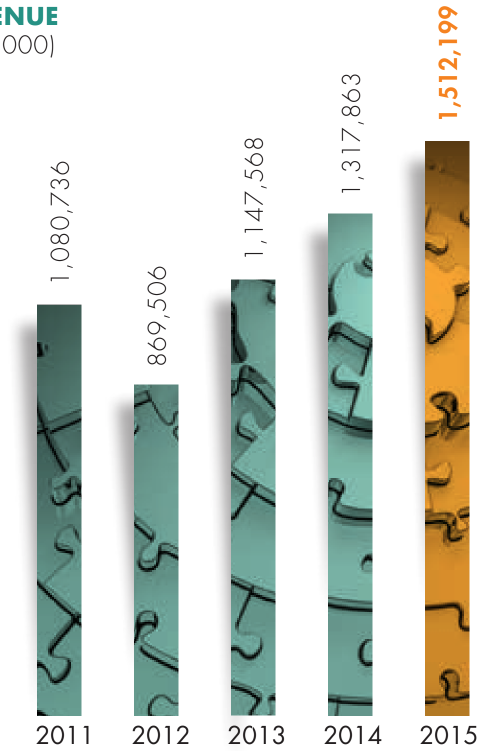
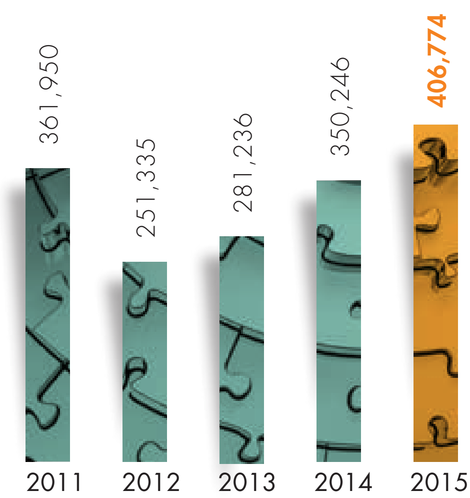
FINANCIAL **HIGHLIGHTS**

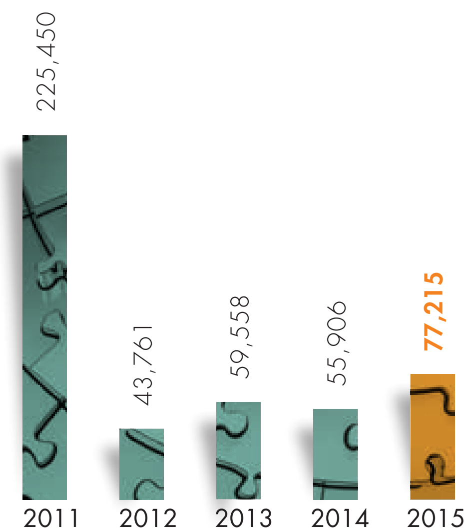
REVENUE
(RMB'000)



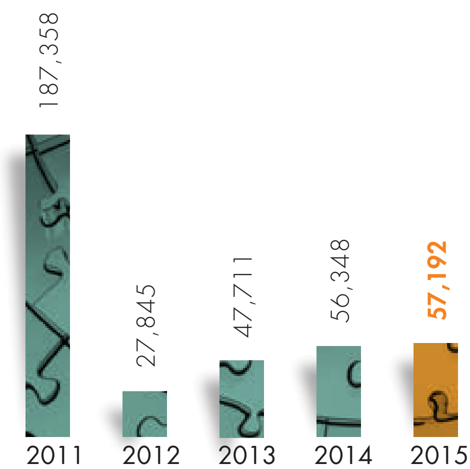
GROSS PROFIT
(RMB'000)



PROFIT BEFORE INCOME TAX
(RMB'000)



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS
(RMB'000)



FINANCIAL **HIGHLIGHTS**

	FY2015 RMB'000	FY2014 RMB'000	FY2013 RMB'000	FY2012 RMB'000	FY2011 RMB'000
Revenue	**1,512,199**	1,317,863	1,147,568	869,506	1,080,736
Gross profit	**406,774**	350,246	281,236	251,335	361,950
Profit before income tax	**77,215**	55,906	59,558	43,761	225,450
Profit attributable to equity holders	**57,192**	56,348	47,711	27,845	187,358
Equity attributable to owners of the Company	**3,041,331**	2,997,488	2,968,657	2,963,463	2,973,652
Non current assets	**4,720,232**	4,192,178	3,580,828	2,811,264	2,393,723
Current assets	**3,081,791**	3,165,564	2,687,196	2,277,742	1,907,188
Current liabilities	**3,008,442**	2,226,838	1,741,666	1,366,434	1,141,770
Non-current liabilities	**1,752,250**	2,133,416	1,278,169	474,691	185,489

For the Year (RMB'000)	**FY2015**	FY2014	**Change (%)**
Revenue	**1,512,199**	1,317,863	**14.7**
Gross profit	**406,774**	350,246	**16.1**
Profit before income tax	**77,215**	55,906	**38.1**
Profit attributable to equity holders	**57,192**	56,348	**1.5**
At Year End (RMB'000)			
Equity attributable to owners of the Company	**3,041,331**	2,997,488	**1.5**
Non-current assets	**4,720,232**	4,192,178	**12.6**
Current assets	**3,081,791**	3,165,564	**(2.6)**
Current liabilities	**3,008,442**	2,226,838	**35.1**
Non-current liabilities	**1,752,250**	2,133,416	**(17.9)**
Financial Ratios			
Net Assets per Share (RMB yuan)	**2.50**	2.46	**1.6**
Basic Earnings per Share (RMB fen)	**4.70**	4.63	**1.5**

FINANCIAL **CONTENTS**

FINANCIAL **REVIEW**

BUSINESS MODEL AND STRATEGY

The Group seeks to capitalise and capture the vast opportunities available in the aluminium processed products sector, delivering quality and customised products to our customers on a timely basis. We believe in planning for the long term and making appropriate investments in machineries, technology and human capital so that we maintain the edge in our manufacturing capabilities and expertise. In furthering this objective, the Group is mindful of achieving good financial performance with proper risk diversification. Having entrenched our position in the PRC aluminium alloy extruded products market for use in the rail transport industry, plans are being made for the longer term by researching and developing aluminium alloy extruded products suitable for use in other industries. At the same time, the Group is also venturing into the manufacture of other aluminium processed products as a lateral extension of this product diversification strategy. A new manufacturing facility capable of producing high precision, high specification aluminium rolled plates and sheets for use in industries such as aviation and automobile is being built. Commercial production is expected to commence in 2016. We have also devoted more resources into establishing our global networks and links with existing and new international customers in a bid to intensify our reach into other geographical markets besides the PRC.

REVENUE

Our Group's principal activities for FY2015 are as follows:

a. manufacture of large section aluminium alloy extruded products for use mainly in the following:

   - Transport Industry – We produce aluminium alloy profiles which are used to manufacture train car body frames for use by high-speed trains, metro trains and freight wagons;
   - Power Industry – We produce aluminium alloy tubing which are used in power stations for power transmission purposes, electrical energy distribution and transmission cables; and
   - Others – We produce aluminium alloy rods and other specialized profiles which are used in the production of mechanical parts for industrial machinery.

b. manufacture of PE pipes for gas piping networks and water distribution networks.

Our revenue by business activities is set out below:

Business segments (RMB'000)	**FY2015**	**FY2014**	**Change**	**%**
Aluminium Alloy Extruded Products Division	1,500,597	1,294,761	205,836	15.9
PE Pipe Division	11,602	23,102	(11,500)	(49.8)
Total	**1,512,199**	**1,317,863**	**194,336**	**14.7**

FINANCIAL **REVIEW**

The table below shows the revenue segmentation in Aluminium Alloy Extruded Products Division

	FY2015	FY2014
	%	%
Transport Industry	**81.2**	80.7
Power Industry	**3.5**	4.1
Others	**15.3**	15.2
Total	**100.0**	100.0

Sales by end usage indicate that revenue contribution from the "Transport Industry" is still the major revenue contributor, contributing approximately 81.2% of the revenue for the Aluminium Alloy Extruded Products Division. "Others" segment included mainly revenue from the supply of aluminium alloy rods and other specialised profiles for industrial machinery.

Our Aluminium Alloy Extruded Products Division is well placed to compete effectively, especially in supplying aluminium alloy profiles for use as train car body frames in the rail transport industry. In addition, our Aluminium Alloy Extruded Products Division also has the capabilities to process car body components for train cars. Our Aluminium Alloy Extruded Products Division is certified by the world's three leading train manufacturers, namely Alstom, Siemens and Changchun Bombardier. It was also awarded the EN 15085-2 certification for the welding of railway vehicles and components issued by GSI SLV Duisburg, one of the largest welding engineering institutes in Europe and the International Railway Industry Standard certification. We believe that such recognition would provide us the platform to expand our business both in the PRC and international markets. We have demonstrated our capabilities in supplying aluminium alloy extruded profiles of international standards and meeting the stringent requirements of our international customers by securing more contracts in the international markets.

Our Aluminium Alloy Extruded Products Division's new production plant, Luoyang Midas, in Luoyang City, Henan Province, PRC, commenced commercial production in FY2015. This is in line with our strategy to expand our aluminium alloy extrusion capacity in a new geographic location beyond north-eastern PRC to be in closer proximity to our customers.

PROFITABILITY

Our gross profit by business activities is set out below:

Business segments (RMB'000)	**FY2015**	**FY2014**	**Change**	**%**
Aluminium Alloy Extruded Products Division	405,873	347,329	58,544	16.9
PE Pipe Division	901	2,917	(2,016)	(69.1)
Total	**406,774**	**350,246**	**56,528**	**16.1**
Gross Profit Margin (%)	26.9	26.6		

Gross profit increased by approximately RMB56.5 million or 16.1% from RMB350.2 million in FY2014 to RMB406.8 million in FY2015. Gross profit margin for FY2015 was 26.9% versus 26.6% in FY2014. This was due to higher gross profit margin at our Aluminium Alloy Extruded Products Division of 27.0% in FY2015 as compared to 26.8% in FY2014.

FINANCIAL **REVIEW**

Our profitability by business activities is set out below:

(RMB'000)	FY2015	FY2014	Change	%
Segment results*				
– Aluminium Alloy Extruded Products Division	213,392	188,412	24,980	13.3
– PE Pipe Division	(3,948)	(2,634)	(1,314)	49.9
– Aluminium Alloy Plates and Sheets Division	(5,986)	(11,105)	5,119	(46.1)
Unallocated corporate expenses	(18,996)	(19,310)	314	(1.6)
Finance costs	(138,959)	(128,481)	(10,478)	8.2
Share of profits of an associate	31,712	29,024	2,688	9.3
Profit before income tax expense	**77,215**	**55,906**	**21,309**	**38.1**
Income tax expense	(20,023)	(2,803)	(17,220)	614.3
Profit for the financial year	**57,192**	**53,103**	**4,089**	**7.7**
*Segment results are derived after the following:				
Other income	24,462	14,091	10,371	73.6
Selling and distribution expenses	(73,431)	(60,669)	(12,762)	21.0
Administrative expenses	(154,346)	(128,995)	(25,351)	19.7

Other income comprised mainly of interest income and income derived from the disposal of scrap materials and grants received at our Aluminium Alloy Extruded Products Division.

Selling and distribution expenses for the three business divisions increased by approximately RMB12.8 million in FY2015, driven mainly by higher transportation, travelling and packaging expenses as compared with FY2014, in line with the growth in business volume at our Aluminium Alloy Extruded Products Division in FY2015.

Administrative expenses for the three business divisions increased by about RMB25.4 million in FY2015 mainly due to increase in depreciation, other taxes and staff costs as compared with FY2014.

Finance costs comprised interest for debt borrowings, bank charges and financing costs relating to discounted notes receivables. Approximately RMB124.7 million (FY2014: RMB120.9 million) of the interest on borrowings that was used to finance the construction of property, plant and equipment for our new production lines were capitalised.

The Group's share of profit from its associated company, NPRT, is approximately RMB31.7 million in FY2015. This was mainly due to a different project mix during the year.

Income tax expense for FY2015 increased by about RMB17.2 million mainly due to lower deferred tax income at Luoyang Midas and JMLA as compared with FY2014. Jilin Midas was awarded with the approved High Technology Enterprise status and enjoyed a concessionary rate of 15% for the financial years 2011 to 2016.

FY2015 ended with profits of approximately RMB57.2 million which represented 7.7% increase over FY2014.

FINANCIAL REVIEW

CAPITAL STRUCTURE OF THE GROUP

Loans

	As at 31 December 2015		As at 31 December 2014	
	Secured RMB'000	**Unsecured RMB'000**	**Secured RMB'000**	**Unsecured RMB'000**
Amount repayable in one year or less, or on demand	**236,150**	**1,836,941**	150,000	1,454,173
Amount repayable after one year	**937,000**	**813,109**	1,023,180	1,108,095
Total	**1,173,150**	**2,650,050**	1,173,180	2,562,268

Details of collateral

The secured borrowings consist of bank loans that are provided to Jilin Midas and JMLA.

The bank loans to Jilin Midas are secured by the mortgage of land use rights, property, plant and equipment and various trade receivables with net book value of about RMB1,049.4 million (31 December 2014: RMB1,327.4 million). The bank loans to JMLA are guaranteed by the Company, Jilin Midas and Dalian Huicheng Aluminium Industries Co., Ltd (which is ultimately owned by Mr. Chen Wei Ping, who is the Executive Director and Chairman of the Company). The bank loans to JMLA are also secured by land use rights, future constructions and developments on the land including factory buildings, office buildings and workshops for auxiliary facilities, and two cold-rolling mills. The bank loans to Luoyang Midas are guaranteed by Jilin Midas.

Cash and Cash Equivalents

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

The Group	FY2015 RMB'000	FY2014 RMB'000
Euro	**22**	5,338
Renminbi	**1,158,562**	1,192,400
Singapore dollar	**3,642**	11,623
United States dollar	**79**	45
Hong Kong dollar	**87**	41
Others	**53**	54
	1,162,445	1,209,501

FINANCIAL REVIEW

GROUP'S ORDER BOOK

The order book of our Aluminium Alloy Extruded Products Division as at 31 December 2015 is approximately RMB900.0 million.

EMPLOYEES, REMUNERATION POLICY AND EMPLOYEE SHARE OPTIONS

As at 31 December 2015, there were 2,545 (2014: 2,156) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance.

GEARING

The Group monitors capital using a gearing ratio, which is derived by dividing total liabilities by total equity. Our gearing ratio was 156.5% as at 31 December 2015 and 145.5% as at 31 December 2014. If the gearing ratio were derived by dividing total interest bearing loans by total equity, the gearing ratio would be 125.7% as at 31 December 2015 and 124.6% as at 31 December 2014. Our gearing ratio increased from FY2014 to FY2015, mainly due to borrowings for the purchases of property, plant and equipment of Luoyang Midas.

RISK MANAGEMENT

Business Risk

Our revenue comes mainly from the sales of aluminium alloy extrusion products to the transport industry. We continue to further our growth opportunities by marketing our products overseas to minimise any over reliance on the local PRC markets. Since 2004, we have successfully exported or secured contracts to supply large section aluminium alloy profiles to manufacture body frames for metro train/high-speed train projects in various countries, including Belgium, Singapore, Russia, Iran, Saudi Arabia, South Korea, Malaysia, Turkey, Brazil, Switzerland, Norway, United States, etc.

Our Aluminium Alloy Plates and Sheets Division is expected to commence commercial production in 2016. Upon commencement, it will raise our aluminium processing capabilities and capacity whilst providing both growth and diversification to our Group revenue. Aluminium alloy plates and sheets are in demand in the aviation, shipbuilding and automobile sectors.

The raw materials used in our manufacturing processes are plastic resins (for our PE Pipe Division) and aluminium ingots (for our Aluminium Alloy Extruded Products Division). Raw materials make up a significant component of the cost of sales. We are therefore vulnerable to fluctuations in the prices of these raw materials and components. Purchases of raw materials are generally made in response to customers' orders. Our Group makes use of this natural hedge to minimise any impact of fluctuations in raw materials prices on our Group's profitability. Raw material price volatility with respect to long term contracts and any unusual sharp movements in raw material prices within a short time may impact our profitability.

Interest Rate Risk

Our interest rate risk relates primarily to our restricted bank deposits, bank deposits and borrowings. We place our cash balances with reputable banks and financial institutions. Our policy is to obtain the most favourable rates available. We currently have not entered into interest rate swaps to hedge against our exposure to changes in fair values of our borrowings.

In addition, to the extent that we may need to raise debt financing in the future, upward fluctuations in interest rates will increase the cost of new debts. Fluctuations in interest rates can also lead to significant fluctuations in the fair values of our debt obligations. We currently do not use any derivative instruments to manage our interest rate. To the extent we decide to do so in the future, there can be no assurance that any future hedging activities will protect us from fluctuations in interest rates.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting obligations. We are exposed to liquidity risk if we are unable to raise sufficient funds to meet our financial obligations as and when they fall due. To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents and trade and other receivables considered adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flow. In doing so, our management monitors the utilisation of borrowings to ensure adequate unutilised banking facilities and compliance with loan covenants.

RISK MANAGEMENT

Foreign Currency Risk

Foreign currency risk refers to the risk that the fair value or future cash flows of our financial instruments will fluctuate due to changes in foreign exchange rates and consequently affect our Group's financial results and cash flow. Certain of our bank accounts, deposits, receivables and payables are denominated in U.S. dollars, Sterling Pounds and Euros, which are different from the respective functional currencies of those entities for which these balances reside in, which exposes us to foreign currency risk. Other than the aforementioned, most of our operating expenses and revenue are denominated in Renminbi. Our Company's cash flow is derived from dividend income from our subsidiaries in Singapore dollars. Hence, our Company would be exposed to foreign exchange risks when we receive dividends from our PRC subsidiaries in Renminbi. As we expand our operations, we may incur a certain portion of our cash flow in currencies other than Renminbi and, thereby, may increase our exposure to fluctuations on exchange rates. We have not engaged in any foreign currency hedging activities as at the date of this annual report but may use financial derivatives to hedge exchange risks in the future.

Credit Risk

Our principal financial assets are trade and other receivables and bank balances, which represent our maximum exposure to credit risk in relation to financial assets. Our credit risk is primarily attributable to trade receivables. In order to minimise credit risk, our management continuously monitors the level of our exposure to ensure that follow-up action is taken on a timely basis to recover overdue debts. In this regard, our Directors consider that our credit risk is significantly reduced. In addition, we review the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses, if necessary, are provided for irrecoverable amounts. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statements of financial position. The Group has a concentration of credit risk of the trade receivables due from the five largest debtors. As at 31 December 2015 and 2014, approximately 64% and 77% of total trade receivables, respectively, were due from the five largest debtors. In addition, the credit risk on bank deposits and bank balances is limited because a majority of the counterparties are reputable banks and financial institutions.

CORPORATE **GOVERNANCE STATEMENT**

Midas Holdings Limited (the "Company") is committed to achieving and maintaining high standards of corporate governance and has established practices and procedures for compliance with the principles and code provisions set out in the revised Code of Corporate Governance 2012 (the "Singapore CG Code") and the Corporate Governance Code and Corporate Governance Report (the "HK CG Code") under Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK").

The Company has complied with all the code provisions set out in the HK CG Code for the year ended 31 December 2015 save for the deviation from code provision A.4.1.

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, none of the existing Independent Non-Executive Directors of the Company is appointed for a specific term. However, all directors of the Company (the "Directors") are subject to the retirement and re-election provisions of the Constitution of the Company (the "Constitution"), which require that one third of the Board shall retire from office by rotation every year and the retiring Directors are eligible for re-election. In addition, a director appointed to fill a casual vacancy will be subject to election by the shareholders at the first general meeting after such appointment. In view of this, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

The main corporate governance practices that were in place since are set out below.

A BOARD MATTERS

Board's conduct of its affairs

The Board shall be responsible for the overall direction, supervision and control of the Company and its subsidiaries (the "Group"). The Board shall provide overall leadership in determining the Group's long-term strategic direction, approve the Group's overall business and commercial strategic plans, operating goals, operating budget and key performance indicators as well as to ensure that the necessary financial and human resources are in place for the Group to meet its objectives.

The Board has delegated the day-to-day management of the Company's business to the management and shall supervise the management of the business and affairs of the Group.

The Board is responsible for the Group's corporate governance policies and practices and approves the Group's appointment of Directors and key management personnel, major funding and investment proposals, and reviews the financial performance of the Group.

To assist the Board in the execution of its responsibilities, an Audit Committee ("AC"), a Remuneration Committee ("RC") and a Nominating Committee ("NC") have been established. Each of these committees has its own written terms of reference and whose actions are reported to and monitored by the Board.

The Company has adopted internal guidelines setting forth matters that require Board approval.

CORPORATE GOVERNANCE STATEMENT

The types of material transactions that require the Board's approval under such guidelines include the following:

- Approval of quarterly results announcement;
- Approval of the annual reports and accounts;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Approval of broad policies, strategies and financial objectives of the Group and monitoring the performance of management;
- Oversight of the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Approval of nominations of Directors;
- Approval of material acquisitions and disposals of assets; and
- Authorisation of major transactions.

The Board comprises business leaders and professionals with financial backgrounds. Profiles of our Directors can be found on pages 10 to 11 of this Annual Report.

The Board conducts scheduled meetings on a regular basis. Ad hoc meetings will be convened to deliberate on urgent substantive matters when necessary. Telephonic attendance and conference via audio-visual communications at Board meetings are allowed under the Company's Constitution. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, is disclosed in Part H of this Corporate Governance Statement.

The Directors are provided with important and relevant information of the Company and the Group. In addition, they are also provided with the contact details of the Company's senior management, Singapore Company Secretary and Hong Kong Company Secretary to facilitate access to the Group's information.

Newly appointed Directors are given an orientation on the Group's business strategies and operations, including plant visits to ensure their familiarity with the Group's operations and governance practices. In addition, the Company will also arrange plant visits for Directors to our various factory locations annually. A copy of "A Guide on Directors' Duties" published by the Hong Kong Companies Registry, "Guidelines for Directors" and "Guide for Independent Non-executive Directors" published by the Hong Kong Institute of Directors were provided to all Directors so that they could acquaint themselves with the general duties of Directors and the required standard of care, skill and diligence in the performance of their functions and exercise of their powers as Directors. The Company continuously updates Directors on the latest developments regarding the changes in the applicable laws, rules and regulations to ensure compliance and enhance their awareness of good corporate governance practices. Directors are also provided with regular updates on the industry developments and assessments of the Group's performance.

Directors are welcome to request further explanations, briefings or informal discussions on any aspects of the Group's operations or business issues from the management. The Chief Executive Officer ("CEO") will make the necessary arrangements for the briefings, informal discussions or explanations required by the Directors.

CORPORATE **GOVERNANCE STATEMENT**

Either one of the Company Secretaries and/or their representative attend(s) all Board meetings and, together with the Directors, they are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Singapore Company Secretary and/or Hong Kong Company Secretary and/or their representative administer(s), attend(s) and prepare(s) minutes of all Board and Board committee meetings.

All Directors are encouraged to participate in professional development programmes and/or activities to develop and refresh their knowledge and skills. Directors are requested to provide the Company with their respective training records pursuant to the HK CG Code. According to the records maintained by the Company, the current Directors received the following training in compliance with the HK CG Code on continuous professional development during the year ended 31 December 2015:

	Type of Continuous Professional Development		
Name of Director	**Read Materials and/or Attend Seminars on Corporate Governance and Board Issues**	**Attend Presentations on Aluminium Products and Manufacturing Processes conducted in-house**	**Plant Visits at Liaoyuan and Dalian**
Chen Wei Ping	√	√	√
Chew Hwa Kwang, Patrick	√	√	√
Tong Din Eu	√	√	√
Chan Soo Sen	√	√	√
Xu Wei Dong	√	√	√

Roles of Chairman and CEO

The roles of Chairman and CEO in the Company are separately assumed by Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick, respectively. As such, there is a clear division of responsibilities at the top of the Group. Mr. Chen bears responsibility for the effectiveness of the Board and ensures that the Group complies with the Singapore CG Code and HK CG Code. On the other hand, Mr. Chew bears executive responsibility for the Group's businesses.

As the Chairman is part of the executive management team and is not an independent Director, Mr Tong Din Eu has been appointed as the lead independent Director to ensure and strengthen the independence of the Board.

The lead independent Director will make himself available, where appropriate, to shareholders when they have concerns for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer ("CFO") have failed to resolve their concerns or are inappropriate. He will act as the leader of the independent Directors at Board meetings in raising queries and pursuing matters. He will also lead meetings of independent Directors, without the presence of executive Directors.

CORPORATE GOVERNANCE STATEMENT

Nominating Committee

The NC comprises 3 Independent Non-Executive Directors:

- Dr. Xu Wei Dong, Chairman of the NC and Independent Non-Executive Director
- Mr. Chan Soo Sen, Independent Non-Executive Director
- Mr. Tong Din Eu, Independent Non-Executive Director

The principal functions of the NC are to:

- Review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary and which would complement corporate strategy.
- Identify suitable candidates and review all nominations for the appointment to the Board before making recommendations to the Board for appointment.
- Assess the independence of the Directors annually and is of the opinion that the Directors who have been classified as independent under the "Board of Directors" section are indeed independent.
- Decide whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company particularly where the Director has multiple board representations.
- Assess the effectiveness of the Board.
- To recommend Directors who are retiring by rotation to be put forward for re-election, having regard to their contribution and performance.
- To recommend to the Board on the appointment and re-appointment of Directors and succession planning for Directors, in particular the Chairman and CEO.

The terms of reference setting out the NC's authority, duties and responsibilities are available on the websites of Singapore Exchange Limited ("SGX"), the SEHK and our Company.

CORPORATE GOVERNANCE STATEMENT

Board composition and balance

The Board comprises two Executive Directors and three Independent Non-Executive Directors.

Name of Director	Board Committee as Chairman or Member	Directorship: Date of first appointment/Date of last re-election	Board appointment: Executive or non-executive/ Independent	Due for re-election at next AGM
Chen Wei Ping	NA	21 August 2002/ 30 April 2014	Executive	Retirement pursuant to Regulation 91 of the Company's Constitution
Chew Hwa Kwang, Patrick	NA	17 November 2000/ 30 April 2013	Executive	Retirement pursuant to Regulation 91 of the Company's Constitution
Tong Din Eu	Chairman of AC, Member of NC and RC	8 August 2011/ 29 April 2015	Independent	NA
Chan Soo Sen	Chairman of RC, Member of AC and NC	29 June 2006/ 29 April 2015	Independent	NA
Xu Wei Dong	Chairman of NC, Member of AC and RC	17 March 2010/ 30 April 2014	Independent	NA

The independence of each Independent Non-Executive Director is reviewed annually by the NC. The NC adopts the Singapore CG Code and HK CG Code's definition of what constitutes an Independent Non-Executive Director in its review, and the Company requires the Independent Non-Executive Directors to declare their independence annually. Notwithstanding that Mr. Chan Soo Sen has served the Board since year 2006, the Board is fully satisfied that he has demonstrated complete independence, robustness of character and judgement as a board member. Despite the 9 years' time frame, Mr Chan has continued to be and is deemed to be independent and has the requisite qualifications, experience and integrity as an independent director. As a result of the review of the independence of each Director for the year and upon receipt of confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the Independent Non-Executive Directors, the NC is satisfied with the independence of all the Independent Non-Executive Directors.

Board Diversity

The Board has adopted the "Board Diversity Policy" which sets out the approach to diversity on the Board. The Company recognises and embraces the benefits of diversity in the boardroom. A diverse board will steer the Company towards achieving its strategic objectives and sustainable development. An effective board should, amongst other qualities and capabilities, capitalise and leverage on the differences in the cultural and education background, race, gender, professional training, regional and industry experience, skills, knowledge and length of service of the Directors. These differences, coupled with the due consideration given to the Company's business model and its needs from time to time, will determine the optimum composition of the Board. Board appointments will be based on merit against objective criteria, having due regard for the benefits of diversity on the Board. The NC will review the policy, as appropriate, to ensure the effectiveness of the policy.

The NC is of the view that the current Board comprises persons who as a group, provide core competencies necessary to meet the Company's targets and that the current Board size is adequate, taking into account the nature and scope of the Group's operations.

Key information on the individual Directors of the Company is set out on pages 10 to 11 of this Annual Report. Their shareholdings are also disclosed on page 43 of the Directors' Statement. None of the Directors holds shares in the subsidiaries of the Company.

Board Performance

The NC will use its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria that the NC will consider in relation to an individual Director include the Director's industry knowledge and/or functional expertise, contribution and workload requirements, sense of independence and attendance at the Board and Board committee meetings. One of the NC's responsibilities is to undertake a review of the Board's performance. The NC will consider practicable methods to assess the effectiveness of the Board.

During the year, the NC held one meeting to review and evaluate the performance of the Board, taking into consideration the attendance record at the meetings of the Board and the Board committees and also the contribution of each Director to the effectiveness of the Board. The NC also reviewed and confirmed the independence of the Independent Non-Executive Directors, and recommended Directors who were retiring by rotation to be put forward for re-election after considering their contribution and performance.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a director of the Company. As a guide, Directors should not have more than six listed company board representations.

For the year under review, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

B REMUNERATION MATTERS

Remuneration Committee

The RC comprises 3 Independent Non-Executive Directors:

1. Mr. Chan Soo Sen, Chairman of the RC and Independent Non-Executive Director
2. Mr. Tong Din Eu, Independent Non-Executive Director
3. Dr. Xu Wei Dong, Independent Non-Executive Director

The RC has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual Executive Directors and key management personnel.

CORPORATE GOVERNANCE STATEMENT

The principal functions of the RC are to:

- Review and recommend to the Board the framework or broad policy for the remuneration of the Company's Board and key management personnel, and to review and recommend specific remuneration packages for each Executive Director and CEO and such other persons having authority and responsibility for planning, directing and controlling the activities of the Group.

- Make recommendations to the Board with regards to the fee of Non-Executive Directors, taking into account factors such as efforts, time spent and responsibilities.

- Make recommendations on the targets for any performance related pay schemes operated by the Company, taking into account time commitment, responsibilities, pay and employment conditions within the industry and in comparable companies.

The terms of reference setting out the RC's authorities, duties and responsibilities are available on the websites of SGX, the SEHK and our Company.

The members of the RC do not have specialised knowledge in the field of executive compensation. However, they have gained experiences in this area through managing the business and/or the human resources aspects of the Group and companies outside the Group. The Company will ensure that the RC has access to expert advice on the human resource matter whenever there is a need to consult externally. In setting remuneration packages, the Group takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's performance and individual's performance. No Director or management personnel will be involved in deciding his own remuneration.

The remuneration packages for our Executive Chairman and CEO include a basic salary component, a profit sharing component as well as share option elements, which are performance related. Both our Executive Chairman and CEO have respectively renewed their service agreements automatically with the Group on 1 January 2015. Their service agreements will be automatically renewed annually unless otherwise agreed in writing or terminated in accordance with the terms of the agreements.

Independent Non-Executive Directors do not have service contracts with the Company. Independent Non-Executive Directors will receive Directors' fees, in accordance with their contributions, taking into factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. Directors' fees have been recommended by the Board for approval at the Company's Annual General Meeting ("AGM").

During the year, the RC held one meeting to discuss remuneration related matters and recommended to the Board the proposed quantum of Directors' fees for Independent Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT

Disclosure on Remuneration

A breakdown of each individual Director's remuneration for the year ended 31 December 2015, is as follows:

	Fees S$'000	**Salary** S$'000	**Bonus** S$'000	**Other Benefits** S$'000	**Total** S$'000
Chen Wei Ping	–	492	–	92	584
Chew Hwa Kwang, Patrick	–	414	103	86	603
Chan Soo Sen	50	–	–	–	50
Xu Wei Dong	50	–	–	–	50
Tong Din Eu	60	–	–	–	60

The Directors' fees are subject to shareholders' approval at the AGM.

The table below sets out the range of gross remuneration received by the top five executives in the Company and its subsidiaries, but does not include associate during the financial year under review. The total remuneration in aggregate paid to these top five executives in the Company and its subsidiaries for the financial year ended 31 December 2015 was S$1,229,000.

	Salary %	**Bonus** %	**Other Benefits** %	**Total** %
S$250,000 to S$499,999:				
Wang Jiaxin – Deputy CEO and General Manager of Jilin Midas Aluminium Industries Co., Ltd. (ceased on 1 October 2015)	59	40	1	100
Chan Chee Kin – Chief Financial Officer	74	12	14	100
Sun Qixiang – General Manager of Luoyang Midas Aluminium Industries Co., Ltd.	59	30	11	100

CORPORATE **GOVERNANCE STATEMENT**

	Salary %	Bonus %	Other Benefits %	Total %
Below S$250,000:				
Li Zhenyu – General Manager of Jilin Midas Aluminium Industries Co., Ltd. (appointed on 1 October 2015)	56	39	5	100
Ma Mingzhang – General Manager of Shanxi Wanshida Engineering Plastics Co., Ltd. (ceased on 23 October 2015)	100	–	–	100
Xu Honghong – General Manager of Shanxi Wanshida Engineering Plastics Co., Ltd. (appointed on 23 October 2015)	97	–	3	100
Hou Tiemin – General Manager of Jilin Midas Light Alloy Co., Ltd	77	–	23	100

There are no persons in the Company who are immediate family members of a Director or the CEO of the Company who earned more than S$50,000 per annum for the financial year ended 31 December 2015.

C ACCOUNTABILITY AND AUDIT

Audit Committee

The AC comprises 3 Independent Non-Executive Directors:

- Mr. Tong Din Eu, Chairman of the AC and Independent Non-Executive Director
- Mr. Chan Soo Sen, Independent Non-Executive Director
- Dr. Xu Wei Dong, Independent Non-Executive Director

CORPORATE GOVERNANCE STATEMENT

The principal functions of the AC are to:

- Review the audit plans of the Company's external auditors and to discuss with external auditors the nature and scope of audit and reporting obligations before commencement.
- Review the external auditors' reports and to review external auditors' management letter and ensure that the Board has a timely response to issues raised.
- Review the financial statements of the Company and that of the Group before their submission to the Board, with particular focus on changes in accounting policies and practices, major judgemental areas, significant adjustments resulting from audit, going concern assumptions and any qualifications, compliance with accounting standards and compliance with applicable listing rules and legal requirements in relation to financial reporting.
- Be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to review and recommend to the Board the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal.
- Review the Group's financial and accounting policies and practices.
- Review the scope and results of the internal audit procedures.

The AC Charter setting out the AC's authorities, duties and responsibilities is available on the websites of SGX, the SEHK and our Company.

The Chairman of the AC, Mr. Tong Din Eu has many years of experience in the corporate finance and accounting profession. Mr. Chan Soo Sen and Dr. Xu Wei Dong have many years of experience in business and financial management. The AC members bring with them extensive managerial and financial expertise. They are also board members of various listed companies in Singapore and PRC. The AC meets at least 4 times a year, with additional meetings when circumstances require. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

The AC assists the Board in maintaining a high standard of corporate governance, particularly in the areas of effective financial reporting and the adequacy of internal control systems of the Group.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on the financial statements by regular communication with the management, the external auditors and the internal auditors.

During the year, the AC reviewed and approved the audit plans submitted by both the internal and external auditors. The AC has also reviewed the findings and recommendations from the auditors and reviewed and discussed the announcements of the quarterly, half year and full year results.

The AC evaluates the assistance given by the management to the external auditors and also reviews any interested person transactions.

The AC has full access to management and is given the resources required for it to discharge its functions. It has the full authority and discretion to invite any Director or executive officer to attend its meetings.

The AC meets with the external auditors and the internal auditors, without the presence of management, at least twice a year and once a year respectively.

CORPORATE GOVERNANCE STATEMENT

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The Group has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditors and will continue to do so. The AC recommends Mazars LLP to the Board for re-appointment as external auditors of the Company. Except for the appointment of Mazars LLP as the external auditors since financial year ended 31 December 2012, there have been no changes in the auditors in the preceding three years.

Internal Audit

The internal audit function is outsourced to a firm of certified public accountants. The internal auditors report directly to the Chairman of the AC. The AC reviews and approves the annual internal audit plans and reviews the scope of internal audit procedures. The internal auditors will also report to the AC directly their significant findings and recommendations arising from the internal audit carried out by them.

D CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties as set out below:

- To develop and review Group's policies and practices on corporate governance.
- To review and monitor the training and continuous professional development of Directors and senior management.
- To review and monitor the Group's policies and practices on compliance with legal and regulatory requirements.
- To develop, review and monitor the code of conduct and compliance applicable to employees and Directors.
- To review the Group's compliance with the Singapore CG Code and HK CG Code and disclosure in the Corporate Governance Statement.

The Board is cognizant of the need to stay abreast of developments and best practices, especially in areas where it will enable them to discharge their fiduciary duties more effectively. To that extent, the Board as a whole is encouraged to attend appropriate courses and/or seminars which are proposed either by the Directors or the Company. The Directors are required to keep the Board updated on a timely basis on the training(s) that they have received. The Board reviews and monitors the training and continuous professional development of the Directors on a periodic basis.

During the year, the Board reviewed the Group's corporate governance policies and practices and that such policies and practices are compliant with the Singapore CG Code and HK CG Code. The Board also reviewed the Group's compliance with the necessary disclosure requirements in the Corporate Governance Statement.

CORPORATE GOVERNANCE STATEMENT

E RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for overseeing the Group's systems of risk management and internal controls and for reviewing its adequacy and effectiveness. The systems of risk management and internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a risk identification and management framework. In the Group, the risks are proactively identified and addressed. The ownership of these risks lies with the respective business and corporate executive heads with stewardship residing with the Board. Action plans to manage the risks are continually monitored and refined by the management and the Board. Internal auditors conduct review on the effectiveness of the material internal control systems in the Group, including material financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC. The external auditors, in the course of their audit, consider internal controls relevant to the Group's preparation of consolidated 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 Group's internal controls. Any significant deficiencies noted during the course of the audit in such internal controls will be reported to the AC.

The Board has received assurance from the CEO and CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2015 give a true and fair view of the Group's operations and finances; and

(b) the systems of risk management and internal controls in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks. The CEO and CFO have obtained similar assurance from the business and corporate executive heads in the Group.

Based on the framework established and the reviews conducted, the Board opines pursuant to Rule 1207(10) of the Listing Manual of the SGX-ST, with the concurrence of the AC, that there are adequate internal controls in place within the Group addressing material financial, operational and compliance risks.

The Board notes that the systems of risk management and internal controls established by the Company provide reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE STATEMENT

F COMMUNICATIONS WITH SHAREHOLDERS

The Group is mindful of the obligation to provide regular, effective and fair communication with shareholders of the Company on a timely basis, without practising selective disclosure. The announcements of results are published through the websites of SGX, the SEHK and the Company and news releases. All information on the Company's and/or the Group's new initiatives are first disseminated via the websites of SGX, the SEHK and the Company followed by a news release. Results and annual reports are announced or issued within the mandatory period.

All shareholders of the Company receive the annual report, circulars and notices of the shareholders' meetings. The notices are also advertised in newspapers in Singapore. The Company encourages shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The notice of this AGM has been dispatched to the shareholders, at least 20 clear business days before the meeting. The Board welcomes questions from shareholders either formally or informally before or at the AGM.

The Company's Constitution allow a shareholder of the Company to appoint more than one proxy to attend and vote in place of the shareholder.

G SHAREHOLDERS' RIGHTS

Procedures by Which Shareholders Can Convene an Extraordinary General Meeting ("EGM")

Two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) may call a general meeting of the Company. The Directors shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares, immediately proceed duly to convene an EGM of the Company to be held as soon as practicable but in any case not later than 2 months after the receipt by the Company of the requisition. The requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists. If the Directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by Directors convene a general meeting, but any meeting so convened shall not be held after the expiration of 3 months from that date.

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a general meeting shall be paid to the requisitionists by the Company, and any sum so paid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default. A general meeting at which a special resolution is to be proposed shall be deemed not to be duly convened by the Directors if they do not give such notice thereof as is required by Singapore Companies Act in the case of special resolutions.

CORPORATE GOVERNANCE STATEMENT

Procedures by Which Proposals Could Be Put Forward At Shareholders' Meetings

The Company holds its AGM every year, and this is usually held at the end of April. Two or more members holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) can submit a written request to move a resolution at the AGM. The written request must state the resolution signed by all the shareholders concerned and may consist of several documents in like form (which between them contains the signatures of all the shareholders concerned). The written request must be deposited at the registered office of the Company, for the attention of the Company Secretaries not less than eight weeks before the meeting in the case of a requisition requiring notice of a resolution. The request will be verified with the Company's Share Registrars and upon their confirmation that the request is proper and in order, the Company Secretaries will ask the Board to include the resolution in the agenda for the AGM. On the contrary, if the request has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM.

If a shareholder wishes to propose a person other than a Director of the Company for election as a Director at the AGM, he/she can deposit a written notice to that effect at the registered office of the Company for the attention of the Company Secretaries. In order for the Company to inform shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, include the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected. The period for lodgement of such a written notice will commence no earlier than the day after the despatch of the notice and end no later than seven days prior to the date of the AGM. If the notice is received less than 20 clear business days prior to the AGM, the Company will need to consider the adjournment of the AGM in order to allow shareholders to be given 21 days' notice of the proposal.

Procedures by Which Enquiries May be Put to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Singapore Company Secretary and/or Hong Kong Company Secretary whose contact details are as follows:

<u>Singapore Company Secretary</u>
Ms. Tan Cheng Siew @ Nur Farah Tan
Intertrust Singapore Corporate Services Pte. Ltd.
3 Anson Road #27-01
Springleaf Tower
Singapore 079909
Fax: 65 6438 6221
Email: christine.tan@intertrustgroup.com

<u>Hong Kong Company Secretary</u>
Ms. Mok Ming Wai
KCS Hong Kong Limited
36th Floor, Tower Two, Times Square,
1 Matheson Street, Causeway Bay, Hong Kong
Fax: 852 3589 8378
Email: mandy.mok@tmf-group.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CORPORATE **GOVERNANCE STATEMENT**

H OTHERS

Director's Attendance at Board & Board Committee Meetings and General Meetings

The number of Board and Board committee meetings and general meetings held in the year ended 31 December 2015 and the attendance at those meetings were as follows:

	Board	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**	**General Meetings**
	Total no. of meetings held = 5	Total no. of meetings held = 4	Total no. of meetings held = 1	Total no. of meetings held = 1	Total no. of meetings held = 1
	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended
Chen Wei Ping	5/5	NA	NA	NA	1/1
Chew Hwa Kwang, Patrick	5/5	NA	NA	NA	1/1
Chan Soo Sen	5/5	4/4	1/1	1/1	1/1
Xu Wei Dong	5/5	4/4	1/1	1/1	1/1
Tong Din Eu	5/5	4/4	1/1	1/1	1/1

Securities Trading

The Group has adopted a code of conduct rules regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") and in compliance with the best practices stipulated in Rule 1207(19) of the SGX-ST Listing Manual with respect to the dealings in securities for the guidance of Directors and officers. In addition, having made specific enquiry to all Directors, the Company understands that all Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the year 2015. In line with the guidelines, Directors and executive officers of the Group are not permitted to deal in the Company's shares on short-term consideration and during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the quarterly or half-year period up to the publication date of the results; or during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of financial year up to the publication date of the results; or when they are in possession of any unpublished inside information in relation to the Group.

Interested Person Transactions Policy

The Group has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for periodic review and approval of these transactions by the AC.

CORPORATE GOVERNANCE STATEMENT

Director's Responsibility for the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Group's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. The statement of the independent auditors of the Company, Messrs. Mazars LLP, with regard to their reporting responsibilities on the Company's financial statements is set out in the Independent Auditors' Report on page 50.

Whistle-Blowing Program

As a further enhancement to internal risk control processes, the Company has introduced and implemented the "Policy on Reporting Wrongdoing" across the Group. Under this "Whistleblowing" policy, all forms of "wrong-doings" can be reported to an investigation unit, with the "whistle-blower" being provided confidentiality protections. "Wrong-doings" can include fraud, theft, abuse of authority, breach of regulations or non-compliance with corporate policy such as improper banking or financial transactions.

Material Contracts

Save as disclosed, there are no other material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, Director or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Auditors' remuneration

For the year ended 31 December 2015, the remuneration paid or payable to the Group's external auditors for providing the audit and other non-audit services is set out in Note 9 to the consolidated financial statements.

Singapore and Hong Kong Company Secretaries

Ms. Tan Cheng Siew @ Nur Farah Tan is the Company Secretary of the Company in Singapore. She is a practising chartered secretary and is an associate of the Institute of Chartered Secretaries and Administrators, United Kingdom. Ms. Mok Ming Wai is the Company Secretary of the Company in Hong Kong. Ms. Mok is a director of KCS Hong Kong Limited. She is a fellow member of the Hong Kong Institute of Chartered Secretaries, and the Institute of Chartered Secretaries and Administrators in the United Kingdom. Both Ms. Tan and Ms. Mok assist the Board by ensuring good information flow within the Board and that Board policy and procedures including those on governance matters are followed. They report to Mr. Chew Hwa Kwang, Patrick, CEO, who is also their primary corporate contact person at the Company.

In compliance with Rule 3.29 of the Listing Rules, Ms. Mok has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2015.

Constitutional Documents

There was no significant change in the Company's constitutional documents during the year.

DIRECTORS' STATEMENT

The directors of the Company (the "Director(s)") present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) 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.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are manufacturing and sale of aluminium alloy extrusion products and polyethylene pipes. The principal activities and other particulars of the Company's subsidiaries are set out in Note 18 to the consolidated financial statements.

3. BUSINESS REVIEW AND OUTLOOK

The business review and outlook of the Group for the year is set out in the sections "Corporate Profile", "Message From The Executive Chairman", "Message From The Chief Executive Officer" and "Financial Review" of this Annual Report.

4. FINANCIAL PERFORMANCE AND APPROPRIATIONS

The financial performance of the Group for the financial year ended 31 December 2015 and the financial position of the Group and the Company as at that date are set out in the financial statements on pages 52 to 109.

Interim dividends of S$0.0025 per ordinary share, totalling S$3,044,045 (RMB13,875,000 equivalent) were paid during the financial year. The Directors recommend the payment of a final dividend S$0.0025 per ordinary share, totalling S$3,044,045 (RMB13,983,000 equivalent), in respect of the financial year ended 31 December 2015.

5. PRINCIPAL RISKS AND UNCERTAINTIES

The discussion on the risks and uncertainties of the Group for the year is set out in the section "Risk Management" of this Annual Report.

6. SHARE CAPITAL

There was no change in share capital during the financial year.

DIRECTORS' STATEMENT

7. DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2015 amounted to approximately RMB14,388,000 (2014: RMB17,541,000).

8. RESERVES

Details of the movements in reserves of the Group and the Company during the financial year are set out in the consolidated statement of changes in equity and Note 29 to the financial statements respectively.

9. FIXED ASSETS

Details of the acquisitions and other movements in the fixed assets, comprising property, plant and equipment and land use rights, of the Group and, where applicable, of the Company are set out in Notes 16 and 17 to the financial statements.

10. MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group's total	
	Sales	**Purchases**
	%	**%**
The largest customer	28	–
Five largest customers in aggregate	64	–
The largest supplier	–	21
Five largest suppliers in aggregate	–	57

At no time during the financial year have the Directors, and/or their associates had any interest in these major customers and suppliers.

11. DIRECTORS

The Directors during the financial year and up to date of this statement were as follows:

Executive Directors:
Mr. Chen Wei Ping
Mr. Chew Hwa Kwang, Patrick

Independent Non-Executive Directors:
Mr. Chan Soo Sen
Mr. Tong Din Eu
Dr. Xu Wei Dong

DIRECTORS' **STATEMENT**

12. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under "Share Options" of this Annual Report.

13. DIRECTOR'S INDEMNITIES

Pursuant to Regulation 145 of the Constitution of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may incur in the execution and discharge of his duty as a director of the Company or otherwise in relation thereto.

14. DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES OR DEBENTURES

According to the register of Directors' shareholding kept by the Company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50 (the "Act") and Section 352 of the Securities and Futures Ordinance ("SFO"), the Directors who were holding office at the end of financial year had interest and short position in the shares, underlying shares or debentures of the Company and its related corporations as detailed below:

		Direct Interest		Deemed interest		
Name of Director	**Capacity**	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**	**Percentage of the issued share capital of the Company**
		Number of ordinary shares		Number of ordinary shares		
The Company						
Mr. Chen Wei Ping	Beneficial owner	131,405,200	131,405,200	–	–	10.79%
Mr. Chew Hwa Kwang, Patrick	Beneficial owner	121,711,800	121,711,800	–	–	10.00%
Mr. Tong Din Eu	Beneficial owner	749,000	749,000	–	–	0.06%

The percentage of the issued share capital of the Company is computed based on 1,217,617,800 issued voting shares (excluding 1,000,000 treasury shares).

In accordance with the requirements of the Singapore Exchange Securities Trading Limited Listing Manual ("SGX-ST"), the Directors state that, according to the register of Directors' shareholdings, there was no other change in the Directors' interests as at 21 January 2016 in shares of the Company and its related corporations from those disclosed as at 31 December 2015.

As at 31 December 2015, the abovementioned interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the SEHK pursuant to the Model Code.

Save as disclosed above, as at 31 December 2015, none of the Directors, chief executive of the Company nor their associates had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations.

DIRECTORS' STATEMENT

15. CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to ensuring that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

16. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director 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, transaction or arrangement 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 for salaries, bonuses and other benefits as disclosed in the consolidated financial statements.

17. DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming Annual General Meeting (the "AGM") has a service contract which is not determinable by the Group within one financial year without payment of compensation (other than statutory compensation).

18. EQUITY-LINKED AGREEMENTS

Save for the Midas Employee Share Options Scheme as disclosed in the section headed "Share Options" below, the Company has not entered into any equity-linked agreement for the year ended 31 December 2015.

19. SHARE OPTIONS

Midas Employee Share Options Scheme

The Scheme was approved by the shareholders of the Company at an Extraordinary General Meeting held on 6 January 2004. The Scheme is administered by the Company's Remuneration Committee, comprising Mr. Tong Din Eu, Mr. Chan Soo Sen and Dr. Xu Wei Dong.

Under the Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option. The Remuneration Committee may at its discretion, fix the subscription price at a maximum discount of 20% off the market price. Options granted with the subscription price set at the market price shall only be exercised after the first anniversary from the date of the grant of the option. Options granted with the market price set at a discount to the market price shall only be exercised after the second anniversary from the date of the grant of the option. The shares under option may be exercised in whole or in part thereof. Options granted will lapse when the option holder ceases to be a full-time employee of the Company or any Company of the Group subject to certain exceptions at the discretion of the Company.

The number of shares available under the Scheme shall not exceed 15% of the issued share capital of the Company.

DIRECTORS' STATEMENT

19. SHARE OPTIONS (CONTINUED)

Midas Employee Share Options Scheme (Continued)

The Scheme became operative with options to subscribe for 2,500,000 ordinary shares of the Company being granted on 18 May 2005 ("2005 Options"). Particulars of the 2005 Options were set out in the Directors' Report for the financial year ended 31 December 2005.

On 11 May 2006, option to subscribe for 4,950,000 ordinary shares of the Company at an exercise price of S$0.873 per share were granted ("2006 Options"). 3,000,000 2006 Options lapsed on 10 May 2011.

On 14 May 2007, options to subscribe for 4,600,000 ordinary shares of the Company at an exercise price of S$1.992 per share were granted ("2007 Options"). 3,700,000 2007 Options lapsed on 13 May 2012.

On 9 February 2009, options to subscribe for 5,850,000 ordinary shares of the Company at an exercise price of S$0.517 per share were granted ("2009 Options"). The 2009 Options are exercisable from 9 February 2010 and lapsed on 8 February 2014.

No other key management or employee has received options of 5% or more of the total number of shares available under the scheme during the financial year. No other Director or employee of the Group (as defined in the Singapore Exchange Securities Trading Listing Manual) has received options of 5% or more of the total number of shares available to all Directors and employees of the Group under the Scheme during the financial year.

20. SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, to the best of the Directors' knowledge and belief, no persons (other than the Directors whose interests are set out in the section "Directors' interests and short position in shares, underlying shares or debentures" above), had or deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company, which would fail to be disclosed under the provisions of Part XV of the SFO.

21. APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"). The Company considers all of the independent non-executive Directors are independent.

22. RELATED PARTY

Details of significant related party transactions of the Group are set out in Note 35 to the consolidated financial statements.

DIRECTORS' STATEMENT

23. EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share options scheme as an incentive to Directors and eligible employees, details of the Scheme is set out in Note 32 to the consolidated financial statements.

24. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Constitution, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

25. SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the financial year ended 31 December 2015.

26. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the financial year ended 31 December 2015, neither the Company nor its subsidiary had purchased, sold or redeemed any of the listed securities of the Company.

27. DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has ownership in other businesses which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

28. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

The Board has adopted the Model Code as set out in Appendix 10 of the Listing rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquires with all Directors, throughout the financial year ended 31 December 2015, all Directors have complied with the required standards of the Model Code.

29. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a leading manufacturer of aluminium alloy extruded products in the PRC, the Group is aware that our operations have an impact on the environment and society. While the Group continue to minimise the negative impact, we strive to ensure our business operations are conducted in a sustainable and responsible manner.

The Group's efforts at sustainability reporting identifies key environmental and social indicators in line with HKEx ESG Guidelines and the Global Reporting Initiative ("GRI") fourth generation ("G4") guidelines. The coverage of our reporting is limited to the impact of Jilin Midas Aluminium Industries Co., Ltd. where the majority of our revenue was generated in the financial year ended 31 December 2015.

29. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

The Group's sustainability policy summarises our commitment to continuously working to integrate the management of material issues into business as usual, ensuring sustainable long-term growth. The policy focuses on subjects from the HKEx ESG guidelines, determined to be most material to the Group.

Workplace quality

Midas complies with relevant regulations governing the protection of human rights, occupational health and safety standards and labour of the jurisdictions in which we conduct business.

Midas is committed to:

- Encouraging a work environment which values and respects all employees
- Encouraging and maintaining a positive safety culture and behaviour
- Providing appropriate safety training at every level
- Encouraging and promoting a diverse workforce
- Supporting career progression and providing appropriate training

Environmental quality

Midas complies with relevant regulations governing the protection of environmental standards of the jurisdictions in which we conduct business.

Midas is committed to:

- Identifying opportunities to reduce the environmental impact and improve environmental efficiencies of Midas' activities, with particular focus on energy consumption and waste generation
- Developing and disclosing a responsible purchasing policy

Operating practices

Midas is committed to:

- Ensuring company-wide awareness of environmental and social issues and compliance with the company sustainability policy
- Developing and maintaining an active and constructive dialogue with suppliers
- Developing and disclosing policies on quality assurance process and re-call procedures
- Ensuring company-wide awareness and implementation of preventative measures

DIRECTORS' STATEMENT

29. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

Community involvement

Midas will continuously promote and expand its commitment to society including:

- Working towards minimising any negative impacts of our operations on local communities
- Connecting with local charities working in areas of our operations to support local economies.
- Facilitating a transparent and productive dialogue with communities and other stakeholders
- Maximising local resources (such as suppliers and employees) as much as possible and appropriate

More details of the above policies and performance will be set out in the 2015 Sustainability Report which will be published in due course.

30. AUDIT COMMITTEE ("AC")

In performing its functions, the AC met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The AC of the Company is chaired by Mr. Tong Din Eu, an independent non-executive Director, and includes Mr. Chan Soo Sen and Dr. Xu Wei Dong, who are both independent non-executive Directors. The AC has met four times since the last AGM and has reviewed the following, where relevant, with the executive Directors and external and internal auditors of the Company:

(a) the audit plans of the Company's external auditors and to discuss with the auditors the nature and scope of audit and reporting obligations before commencement;

(b) the external auditors' report and their management letter;

(c) the financial statements of the Company and that of the Group before their submission to the Board, with particular focus on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from audit, going concern assumptions and any qualifications, compliance with accounting standards and compliance with applicable listing rules and legal requirements in relation to financial reporting;

(d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and that of the Group;

(e) the co-operation and assistance given by the management to the Group's external auditors;

(f) the remuneration and terms of engagement of the external auditors, and consider and recommend the re-appointment of the external auditors of the Group to the Board;

(g) the Group's financial and accounting policies and practices; and

(h) the scope and results of the internal audit procedures.

DIRECTORS' STATEMENT

30. AUDIT COMMITTEE ("AC") (CONTINUED)

The AC has reviewed the financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC has recommended to the Directors the nomination of Mazars LLP for re-appointment as external auditor of the Group at the forthcoming AGM of the Company.

31. AUDITOR

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board

MR. CHEN WEI PING	**MR. CHEW HWA KWANG, PATRICK**
Director	*Director*

Singapore
17 March 2016

INDEPENDENT AUDITORS' **REPORT**

TO THE MEMBERS OF MIDAS HOLDINGS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Midas Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 109.

Management's Responsibility for the Consolidated 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, Cap. 50 (the "Act"), applicable disclosure requirements of the Hong Kong Companies Ordinance and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation of consolidated 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 financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act, applicable disclosure requirements of the Hong Kong Companies Ordinance and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MIDAS HOLDINGS LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
17 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RMB'000	2014 RMB'000
Revenue	4	**1,512,199**	1,317,863
Cost of sales		**(1,105,425)**	(967,617)
Gross profit		**406,774**	350,246
Other income	6	**23,767**	14,081
Selling and distribution expenses		**(73,431)**	(60,669)
Administrative expenses		**(172,648)**	(148,295)
Finance costs	7	**(138,959)**	(128,481)
Share of profits of an associate	19	**31,712**	29,024
Profit before income tax expense	9	**77,215**	55,906
Income tax expense	12	**(20,023)**	(2,803)
Profit for the financial year		**57,192**	53,103
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation		**14,547**	31,900
Total comprehensive income for the financial year		**71,739**	85,003
Profit attributable to:			
Owners of the Company		**57,192**	56,348
Non-controlling interests		**–**	(3,245)
		57,192	53,103
Total comprehensive income attributable to:			
Owners of the Company		**71,739**	88,248
Non-controlling interests		**–**	(3,245)
		71,739	85,003
Basic and diluted earnings per share (RMB Fen)	15	**4.70**	4.63

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment	16	**4,142,814**	3,617,443
Land use rights	17	**333,934**	311,319
Interest in an associate	19	**225,282**	208,364
Prepaid rental	20	**84**	92
Restricted bank deposits	21	**–**	37,822
Deferred tax assets	27	**18,118**	17,138
		4,720,232	4,192,178
Current assets			
Inventories	22	**558,694**	563,711
Trade and other receivables	23	**1,264,102**	1,392,352
Restricted bank deposits	21	**96,550**	–
Cash and cash equivalents	24	**1,162,445**	1,209,501
		3,081,791	3,165,564
Current liabilities			
Trade and other payables	25	**927,311**	615,799
Income tax payable		**8,040**	6,866
Borrowings	26	**2,073,091**	1,604,173
		3,008,442	2,226,838
Net current assets		**73,349**	938,726
Total assets less current liabilities		**4,793,581**	5,130,904
Non-current liabilities			
Borrowings	26	**1,750,109**	2,131,275
Deferred tax liability	27	**2,141**	2,141
		1,752,250	2,133,416
Net assets		**3,041,331**	2,997,488
Capital and reserves			
Share capital	28(a)	**2,166,575**	2,166,575
Treasury shares	28(b)	**(2,501)**	(2,501)
Foreign currency translation reserve	30	**32,477**	17,930
PRC statutory reserve	31	**158,378**	149,823
Retained earnings		**686,402**	665,661
Total equity		**3,041,331**	2,997,488

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2015

	Note	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment	16	**1,499**	1,905
Interests in subsidiaries	18	**2,594,383**	2,643,241
Interest in an associate	19	**136,580**	139,529
		2,732,462	2,784,675
Current assets			
Other receivables	23	**12,578**	10,694
Cash and cash equivalents	24	**3,710**	10,806
		16,288	21,500
Current liabilities			
Other payables	25	**14,041**	13,154
Borrowings	26	**343,161**	–
		357,202	13,154
Net current (liabilities)/assets		**(340,914)**	8,346
Total assets less current liabilities		**2,391,548**	2,793,021
Non-current liabilities			
Borrowings	26	**388,339**	744,008
		388,339	744,008
Net assets		**2,003,209**	2,049,013
Capital and reserves			
Share capital	28(a)	**2,166,575**	2,166,575
Treasury shares	28(b)	**(2,501)**	(2,501)
Foreign currency translation reserve	29, 30	**(175,253)**	(132,602)
Retained earnings	29	**14,388**	17,541
Total equity		**2,003,209**	2,049,013

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Attributable to the owner of the Company								
	Share capital (Note 28(a)) RMB'000	Treasury shares (Note 28(b)) RMB'000	Foreign currency translation reserve (Note 30) RMB'000	PRC statutory reserve (Note 31) RMB'000	Share option reserve (Note 32) RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014	2,166,575	(2,501)	(13,970)	142,016	2,740	673,797	2,968,657	279,532	3,248,189
Profit for the year	–	–	–	–	–	56,348	56,348	(3,245)	53,103
Other comprehensive income:									
Foreign currency reserve	–	–	31,900	–	–	–	31,900	–	31,900
Total comprehensive income for the financial year	–	–	31,900	–	–	56,348	88,248	(3,245)	85,003
Acquisition of non-controlling interest in subsidiary without a change in control (Note 18)	–	–	–	–	–	(29,836)	(29,836)	(276,287)	(306,123)
Transfer to PRC statutory reserve	–	–	–	7,807	–	(7,807)	–	–	–
Transfer of option reserve to retained earnings	–	–	–	–	(2,740)	2,740	–	–	–
Dividends (Note 14)	–	–	–	–	–	(29,581)	(29,581)	–	(29,581)
Balance at 31 December 2014	2,166,575	(2,501)	17,930	149,823	–	665,661	2,997,488	–	2,997,488
Profit for the year	–	–	–	–	–	57,192	57,192	–	57,192
Other comprehensive income:									
Foreign currency reserve	–	–	14,547	–	–	–	14,547	–	14,547
Total comprehensive income for the financial year	–	–	14,547	–	–	57,192	71,739	–	71,739
Transfer to PRC statutory reserve	–	–	–	8,555	–	(8,555)	–	–	–
Dividends (Note 14)	–	–	–	–	–	(27,896)	(27,896)	–	(27,896)
Balance at 31 December 2015	**2,166,575**	**(2,501)**	**32,477**	**158,378**	**–**	**686,402**	**3,041,331**	**–**	**3,041,331**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Profit before income tax expense		**77,215**	55,906
Adjustments for:			
Depreciation of property, plant and equipment		**154,161**	159,761
Amortisation of prepaid rental and land use rights		**7,283**	6,973
Loss on disposal of property, plant and equipment, net		**434**	109
Share of profits of an associate		**(31,712)**	(29,024)
Realised gain on derivative financial asset		**(199)**	–
Interest expenses		**138,959**	128,481
Interest income		**(13,980)**	(9,672)
Operating profit before changes in working capital		**332,161**	312,534
Changes in working capital:			
Inventories		**5,017**	65,222
Trade and other receivables		**130,116**	(401,086)
Trade and other payables		**199,214**	184,268
Cash generated from operations		**666,508**	160,938
Interest paid		**(101,651)**	(99,962)
Interest received		**13,980**	9,672
Income tax paid		**(19,829)**	(870)
Net cash from operating activities		**559,008**	69,778
Cash flows from investing activities			
Proceed from sale of derivative financial assets		**175**	–
Proceeds from disposal of property, plant and equipment		**265**	–
Purchase of property, plant and equipment		**(450,119)**	(623,961)
Purchase of land use rights		**(23,047)**	–
Net increase in restricted bank deposits		**(58,728)**	(2,740)
Dividends received from associate		**10,004**	8,336
Interest paid and capitalised		**(124,086)**	(117,059)
Proceeds from redemption of available-for-sale assets upon maturity		**–**	2,000
Net cash used in investing activities		**(645,536)**	(733,424)
Cash flows from financing activities			
Dividends paid		**(27,896)**	(29,581)
Proceeds from bank borrowings		**1,852,000**	1,834,000
Repayment of bank borrowings		**(1,751,740)**	(1,440,170)
Proceeds from issuance of medium term notes		**–**	767,895
Payment of medium term note interests		**(34,969)**	(18,217)
Acquisition of non-controlling interest	18	**–**	(306,000)
Net cash from financing activities		**37,395**	807,927
Net change in cash and cash equivalents		**(49,133)**	144,281
Cash and cash equivalents at beginning of the financial year		**1,209,501**	1,046,456
Net effect of exchange rate changes in cash and cash equivalents		**2,077**	18,764
Cash and cash equivalents at end of the financial year	24	**1,162,445**	1,209,501

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. GENERAL

Midas Holdings Limited (the "Company") (Registration Number: 200009758W) is a public limited liability company incorporated and domiciled in Singapore with its registered office and principal place of business at No. 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange of Hong Kong Limited.

The principal activity of the Company is that of an investment holding.

The principal activities of the subsidiaries are set out in Note 18 to the consolidated financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (hereinafter known as the "Group") and the Group's interest in an associate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the applicable disclosure requirements of the Hong Kong Companies Ordinance and the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited, and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") issued by the Singapore Accounting Standards Council. The consolidated financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

Subsequent to the Hong Kong Listing during the financial year 2011, the Company submitted its application to Accounting and Corporate Regulatory Authority ("ACRA") to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). At the same time, the Company also made further enquiries with the Stock Exchange of Hong Kong Limited with regard to whether the Company should adopt IFRS or FRS. The Stock Exchange of Hong Kong Limited has agreed to accept that the Group's financial statements could be prepared in accordance with FRS, on the condition that the Company would include in its financial reports a reconciliation of its consolidated financial statements in accordance with IFRS, with a narrative description of the major differences between the two position and standards, in a form that facilitates investors' understanding of the Company's financial performance.

The Company informed ACRA of the outcome of their enquiry with the Stock Exchange of Hong Kong Limited, and did not obtain approval from ACRA on the Company's application to prepare its consolidated financial statements in accordance with IFRS. Therefore, the Company continues to prepare the current set of consolidated financial statements for the financial year ended 31 December 2015 in accordance with FRS and the Company has included a reconciliation of its financial statements in accordance with IFRS in Note 39 to the consolidated financial statements which will contain a narrative description of the major differences between the two standards if any, that is relevant to the preparation of the consolidated financial statements of the Group, in a form that facilitates investors' understanding of the Company's financial position and performance.

NOTES TO THE **FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the Company is Singapore dollar ("S$"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Renminbi ("RMB") and all values presented are rounded to the nearest thousand ("RMB'000"), unless otherwise stated.

The preparation of the consolidated financial statements in conformity with FRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the consolidated financial statements.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS that may be relevant to the Group have been issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 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 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 111	Amendments to FRS 111: Accounting Acquisitions of Interests in Joint Operations	1 January 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment entities: Applying the consolidation exception (Editorial corrections in June 2015)	1 January 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

		Effective date (annual periods beginning on or after)
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective Date of FRS 115	1 January 2018
Various	Improvements to FRSs (November 2014)	Various

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Company has not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2015. Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Company's significant accounting policies and presentation of the financial information will result.

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the entity will have a choice to recognise the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

FRS 109 Financial Instruments (Continued)

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in FRS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognised lifetime expected credit losses on the affected assets.

The Group does not intend to early adopt FRS 109. The Group is still assessing the potential impact of FRS 109 on its financial statements in the initial year of adoption.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 *Construction contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services* to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Group does not intend to early adopt FRS 115. The Group is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

NOTES TO THE **FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Business Combinations

Business combinations from 1 January 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business Combinations (Continued)

Business combinations from 1 January 2010 (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business Combinations (Continued)

Business combinations before 1 January 2010 (Continued)

Business combinations achieved in stages were accounted for as step acquisitions. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment comprises its purchase price and any direct attributable cost of bringing the property, plant and equipment to the location and condition necessary for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to write off the depreciable amount of property, plant and equipment to their residual values over their estimated useful lives, using the straight-line method on the following bases:

	Annual depreciation rates
Buildings and improvements	3% to 5%
Plant, equipment and mould	3% to 20%
Motor vehicles	10% to 20%
Office equipment	10%

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (Continued)

Construction-in-progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction-in-progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction-in-progress until it is completed and ready for its intended use.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Fully depreciated items are retained in the financial statement until they are no longer in use.

2.5 Subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost in the statements of financial position of the Company less any accumulated impairment losses.

2.6 Associate

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Associate (Continued)

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 Non-current Assets Held for Sale and Discontinued Operations from the date on which the investee become an associate. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.7 Land use right

Land use right is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on the straight-line basis to write off the cost of land use right over the lease terms.

2.8 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- land use right; and
- interests in subsidiaries and an associate.

If any such indication of impairment loss exists, the asset's recoverable amount is estimated. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted at a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less all estimated cost of completion and cost to be incurred in marketing, selling and distribution.

2.10 Financial instruments

Financial instruments (financial assets and financial liabilities) are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of these financial assets, which are initially measured at fair value plus transaction costs that are directly attributable to the acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

These assets, including trade receivables, loans and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of the debtor's financial difficulty; or
- it becoming probable that the debtor will enter bankruptcy or other financial restructuring.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account. When any part of a financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities include trade and other payables and bank borrowings. They are initially recognised at fair value, net of directly attributable transaction costs incurred and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in the statement of profit or loss and other comprehensive income on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share options scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions which are subject to an insignificant risk of changes in value.

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition (Continued)

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.15 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the period of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases, if any, are recognised as an expense in the period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have each participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute a certain percentage of 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 all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are recognised as an expense as incurred. There is no provision under the Scheme whereby forfeited contributions may be used to reduce future contributions.

(ii) Share-based payment

The Group operates an equity-settled share-based compensation plan.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss with a corresponding increase in the share option reserve over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised as an expense over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the fair value of goods and services received is recognised in profit or loss unless the goods or services qualify for recognition as an asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits (Continued)

(ii) Share-based payment (Continued)

Fair value is measured using the Hull-White option pricing model. Under this pricing model, the fair value takes into account the impact of events, such as the early exercise of options by employees or employee exit rates after vesting, which occur during the term of the option. The exit rate is defined as the probability that an employee will leave the Company during the vesting period. The Hull-White model also incorporates the employee's early exercise strategy or possibility of the employee's termination after the vesting period. It assumes that early exercise may occur when the stock price is a certain multiple of the exercise price. The exercise multiple is defined as the average ratio of the stock price to the exercise price at the time of exercise.

2.17 Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Tax expense (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.18 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Dividends proposed or declared after the end of each reporting period, are not recognised as a liability at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Foreign currencies

Transactions entered into by Group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, the results of foreign operations are translated into the presentation currency of the Group at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of the financial year. The exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as foreign currency translation reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the foreign currency translation reserve.

2.20 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

3.1 Critical judgements made in applying the accounting policies

(i) Impairment of financial assets

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining whether a financial asset is impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 30 years. The carrying amounts of the Group's and Company's property, plant and equipment as at 31 December 2015 were approximately RMB4,142,814,000 (2014: RMB3,617,443,000) and RMB1,499,000 (2014: RMB1,905,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Income taxes

The Group has exposure to income taxes in the People's Republic of China ("PRC") and Singapore. Due to its inherent nature, judgement is involved in determining the Group's provisions for income taxes.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The income tax expense incurred during the financial year was RMB20,023,000 (2014: RMB2,803,000).

(iii) Equity-settled share-based payments

The charge for equity-settled share-based payment is calculated in accordance with estimates and assumptions which are described in Note 2.16(ii) and Note 32 to the consolidated financial statements. The option valuation model used requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yields, risk-free interest rates and expected staff turnover. The management draws upon a variety of external sources to aid them in determination of the appropriate data to use in such calculations. The carrying amounts of share options reserves for the Group and the Company for the financial year ended are nil.

4. REVENUE

Revenue of the Group is as follows:

	2015 RMB'000	2014 RMB'000
Sales of aluminium extrusion products	**1,500,597**	1,294,761
Sales of polyethylene pipes	**11,602**	23,102
	1,512,199	1,317,863

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

All the segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Aluminium Alloy Extruded Products Division – manufacturing and sale of aluminium alloy extrusion products;

- Polyethylene Pipe Division – manufacturing and sale of polyethylene pipes; and

- Aluminium Alloy Plates and Sheets Division – manufacturing and sales of aluminium alloy plates and sheets.

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
2015					
Revenue	1,500,597	11,602	–	–	1,512,199
Results					
Segment results	213,392	(3,948)	(5,986)	–	203,458
Unallocated corporate expenses	–	–	–	(18,996)	(18,996)
Finance costs	(101,630)	(1)	(20)	(37,308)	(138,959)
Share of profit of an associate	–	–	–	31,712	31,712
Profit/(Loss) before income tax expense	111,762	(3,949)	(6,006)	(24,592)	77,215
Other information					
Additions of property, plant and equipment and land use rights	591,136	4	119,022	–	710,162
Depreciation of property, plant and equipment	150,587	1,352	1,856	366	154,161
Amortisation of land use rights and prepaid rental	3,407	85	3,791	–	7,283

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. SEGMENT INFORMATION (CONTINUED)

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
2014					
Revenue	1,294,761	23,102	–	–	1,317,863
Results					
Segment results	188,412	(2,634)	(11,105)	–	174,673
Unallocated corporate expenses	–	–	–	(19,310)	(19,310)
Finance costs	(99,921)	(6)	(18)	(28,536)	(128,481)
Share of profit of an associate	–	–	–	29,024	29,024
Profit/(Loss) before income tax expense	88,491	(2,640)	(11,123)	(18,822)	55,906
Other information					
Additions of property, plant and equipment and land use rights	416,656	49	328,113	13	744,831
Depreciation of property, plant and equipment	156,962	1,405	956	438	159,761
Amortisation of land use rights and prepaid rental	3,149	85	3,739	–	6,973

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
2015					
Assets					
Segment assets	**5,700,788**	**87,356**	**1,770,704**	**17,893**	**7,576,741**
Interest in an associate	**–**	**–**	**–**	**225,282**	**225,282**
	5,700,788	**87,356**	**1,770,704**	**243,175**	**7,802,023**
Liabilities					
Segment liabilities	**3,015,727**	**2,107**	**997,262**	**745,596**	**4,760,692**

NOTES TO THE FINANCIAL STATEMENTS

5. SEGMENT INFORMATION (CONTINUED)

	Aluminium Alloy Extruded Products Division RMB'000	Polyethylene Pipe Division RMB'000	Aluminium Alloy Plates and Sheets Division RMB'000	Unallocated RMB'000	Total RMB'000
2014					
Assets					
Segment assets	5,170,784	105,954	1,849,125	23,515	7,149,378
Interest in an associate	–	–	–	208,364	208,364
	5,170,784	105,954	1,849,125	231,879	7,357,742
Liabilities					
Segment liabilities	2,577,350	2,693	1,022,992	757,219	4,360,254

The following is an analysis of the revenue by geographical market:

	2015 RMB'000	2014 RMB'000
Revenue		
PRC	**1,300,738**	1,137,630
Others	**211,461**	180,233
	1,512,199	1,317,863

The following is an analysis of the Group's major customers which contributed at least 10% of the Group's revenue during the respective financial years. These revenue are attributable to the Aluminium Alloy Extruded Products Division:–

– During the financial year ended 31 December 2015, there were 3 such customers which generated revenue of RMB429,254,000; RMB237,636,000 and RMB172,983,000 respectively.

– During the financial year ended 31 December 2014, there were 2 such customers which generated revenue of RMB358,179,000 and RMB251,284,000 respectively.

6. OTHER INCOME

	2015 RMB'000	2014 RMB'000
Compensation[(i)]	**2,400**	–
Income from disposal of scrap materials	**2,885**	3,507
Interest income	**13,980**	9,672
Government subsidy	**4,236**	–
Sundry income	**266**	902
	23,767	14,081

Note:

(i) Compensation relates to over charged of utilities from third party.

7. FINANCE COSTS

	2015 RMB'000	2014 RMB'000
Interest on bank borrowings		
Wholly repayable within five years	**89,525**	79,405
Not wholly repayable within five years	**63,117**	116,471
	152,642	195,876
Bank charges	**7,978**	6,254
Interest on discounted notes receivables	**6,737**	10,198
Interest on medium term notes	**46,122**	37,024
Total borrowing costs	**213,479**	249,352
Less: Amount capitalised[i]	**(74,520)**	(120,871)
	138,959	128,481

Note:

(i) Borrowing costs capitalised during the financial years arose from the specific and general borrowing pools. The borrowing costs capitalised which arose from the general borrowing pools were calculated by applying a capitalisation rate of 6.25% (2014: 6.20%) to expenditure on qualifying assets for the financial year ended 31 December 2015.

8. STAFF COSTS

	2015 RMB'000	2014 RMB'000
Staff costs (including Directors' emoluments) comprise:		
Salaries, allowance and bonuses	**154,625**	133,193
Contribution to defined contributions plans	**30,979**	22,587
	185,604	155,780

9. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging:

	2015 RMB'000	2014 RMB'000
Audit fees		
– Auditor of the Company	**1,509**	1,240
– Other auditors	**1,476**	811
Non-audit fees		
– Auditor of the Company	**126**	49
Amortisation of prepaid rental and land use rights	**7,283**	6,973
Foreign exchange loss	**1,356**	433
Loss on disposal of property, plant and equipment, net	**434**	109
Operating lease rentals – properties	**1,039**	1,404

NOTES TO THE FINANCIAL STATEMENTS

10. DIRECTORS' EMOLUMENTS

The aggregate amounts of Directors' emoluments are as follows:

	For the financial year ended 31 December 2015				
	Fee RMB'000	Retirement benefits scheme contribution RMB'000	Other emoluments (mainly basic salaries and allowances) RMB'000	Equity-settled share-based payment expenses RMB'000	Total RMB'000
Executive Directors					
Chen Wei Ping	–	36	2,634	–	2,670
Chew Hwa Kwang, Patrick	–	62	2,695	–	2,757
Independent non-executive Directors					
Tong Din Eu	274	–	–	–	274
Chan Soo Sen	229	–	–	–	229
Xu Wei Dong	229	–	–	–	229
	732	98	5,329	–	6,159

	For the financial year ended 31 December 2014				
	Fee RMB'000	Retirement benefits scheme contribution RMB'000	Other emoluments (mainly basic salaries and allowances) RMB'000	Equity-settled share-based payment expenses RMB'000	Total RMB'000
Executive Directors					
Chen Wei Ping	–	41	2,800	–	2,841
Chew Hwa Kwang, Patrick	–	58	2,866	–	2,924
Independent non-executive Directors					
Tong Din Eu	292	–	–	–	292
Chan Soo Sen	243	–	–	–	243
Xu Wei Dong	243	–	–	–	243
	778	99	5,666	–	6,543

There were no amounts paid to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. Also, there was no arrangement under which a Director waived or agreed to waive any remuneration during the financial year.

11. FIVE HIGHEST PAID INDIVIDUALS

Of the five highest paid individuals, Chen Wei Ping and Chew Hwa Kwang, Patrick are Directors whose emoluments are set out in Note 10 above. The emoluments paid or payable to the remaining individuals for the financial year are as follows:

	2015 RMB'000	2014 RMB'000
Salaries, allowance and benefits in kind	**2,740**	2,988
Performance related bonuses	**1,573**	463
Contribution to defined contribution plans	**341**	117
	4,654	3,568

An analysis of their emoluments by number of employee and emolument range is set out below:

	2015	2014
HK$1,000,000 – HK$1,500,000	**–**	2
HK$1,500,001 – HK$2,000,000	**3**	1
HK$2,000,001 – HK$2,500,000	**–**	–

12. INCOME TAX EXPENSE

	2015 RMB'000	2014 RMB'000
Current – Singapore		
Withholding tax arising from loan interest from a PRC subsidiary	**1,375**	1,161
Withholding tax arising from dividends declared by PRC subsidiaries	**2,400**	4,709
Under/(Over) provision for income tax in prior financial years	**19**	(2)
Current – PRC		
Provision for income tax for the financial year	**15,096**	13,777
Benefit arising from previously unrecognised tax losses	**(980)**	(6,359)
Underprovision for deferred tax assets in prior years	**–**	(10,779)
Underprovision for income tax in prior years	**2,113**	296
Income tax expense	**20,023**	2,803

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of effective tax rate is as below:

	2015 RMB'000	2014 RMB'000
Profit before income tax expense	**77,215**	55,906
Income tax calculated at statutory tax rate of 17% (2014:17%)	**13,126**	9,504
Effect of different tax rates of overseas operations	**7,044**	4,749
Tax effect of share of profits of an associate	**(5,391)**	(4,955)
Tax effect of revenue not taxable for tax purposes	**(384)**	(190)
Tax effect of expenses not deductible for tax purposes	**10,506**	13,857
Benefits from previously unrecognised tax losses	**(980)**	(17,138)
Effect of tax concession of a subsidiary	**(9,755)**	(9,185)
Singapore statutory stepped income exemption	**(50)**	(3)
Provision for income tax for the financial year	**14,116**	(3,361)
Withholding tax arising from loan interest from a subsidiary	**1,375**	1,161
Withholding tax arising from dividends declared by PRC's subsidiaries	**2,400**	4,709
Under provision for income tax in prior financial years	**2,132**	294
Income tax expense	**20,023**	2,803

The Company is incorporated in Singapore and accordingly, is subject to income tax rate of 17% (2014: 17%).

Pursuant to the income tax rules and regulations of the PRC, PRC subsidiaries are liable to PRC enterprise income tax at a rate of 25% during the year ended 31 December 2015 (2014: 25%) except for the following:

- Jilin Midas Aluminum Industries Co., Ltd. was awarded with the approved High Technology Enterprise status (高新技術企業) and is entitled to enjoy a concessionary tax rate of 15% for the financial years from 2011 to 2016.

Under the PRC tax law, dividends received by foreign investors from their investment in Chinese enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by treaty. Pursuant to a tax arrangement between the PRC and Singapore, the investment holding companies established in Singapore are subject to a reduced withholding tax rate of 5% on dividends they received from their PRC subsidiaries.

13. PROFIT FOR THE FINANCIAL YEAR

The consolidated profit for the financial year includes a net profit after tax of RMB24,743,000 (2014: RMB41,251,000) which has been included in the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14. DIVIDENDS

	2015 RMB'000	2014 RMB'000
Final dividend of S$0.0025 per share paid in respect of the financial year 2013 under the exempt-1-tier system	–	14,883
2014 Interim tax-exempt dividends of S$0.0025 per ordinary share under the exempt-1-tier system	–	14,698
Final dividend of S$0.0025 per ordinary share paid in respect of the financial year ended 2014 under the exempt 1-tier system	**14,021**	–
2015 interim dividends of S$0.0025 per ordinary share under the exempt 1-tier system	**13,875**	–
	27,896	29,581

Subsequent to the end of the financial year, the Board proposed a final tax-exempt dividend# of S$0.0025 (2014: S$0.0025) per ordinary share, amounting to S$3,044,000 (2014: S$3,044,000) under the exempt-1-tier system. The proposed final dividends had not been recognised as a liability at the end of reporting period.

With effect from 1 January 2003, Singapore has adopted a one-tier corporate tax system under which tax paid by a resident company on its chargeable income is a final tax. All dividends paid are tax exempt in the hands of its shareholders. There is no withholding tax on dividend payments to all shareholders.

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	2015 RMB'000	2014 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to equity holders of the Company	**57,192**	56,348
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**1,217,618**	1,217,618

	2015 RMB Fen	2014 RMB Fen
Basic and diluted earnings per share	**4.70**	4.63

There were no unexercised share options under the "Midas Employees Share Option Scheme" (the "Scheme"). The Scheme expired on 5 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings and improvements RMB'000	Plant, equipment and mould RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction-in-progress RMB'000	Total RMB'000
Cost						
Balance at 1 January 2015	**910,205**	**1,276,295**	**29,556**	**27,119**	**2,048,548**	**4,291,723**
Additions	**105,858**	**251,744**	**2,308**	**2,869**	**317,493**	**680,272**
Transfers	**164,888**	**107,116**	**–**	**–**	**(272,004)**	**–**
Disposals	**–**	**(7,083)**	**(574)**	**(40)**	**–**	**(7,697)**
Foreign currency realignment	**(10)**	**–**	**(44)**	**(1)**	**–**	**(55)**
Balance at 31 December 2015	**1,180,941**	**1,628,072**	**31,246**	**29,947**	**2,094,037**	**4,964,243**
Accumulated depreciation						
Balance at 1 January 2015	**115,756**	**535,109**	**10,815**	**12,600**	**–**	**674,280**
Depreciation for the financial year	**33,232**	**114,280**	**3,258**	**3,391**	**–**	**154,161**
Disposals	**–**	**(6,779)**	**(183)**	**(36)**	**–**	**(6,998)**
Foreign currency realignment	**(6)**	**–**	**(7)**	**(1)**	**–**	**(14)**
Balance at 31 December 2015	**148,982**	**642,610**	**13,883**	**15,954**	**–**	**821,429**
Carrying amount						
At 31 December 2015	**1,031,959**	**985,462**	**17,363**	**13,993**	**2,094,037**	**4,142,814**

The Group	Buildings and improvements RMB'000	Plant, equipment and mould RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction-in-progress RMB'000	Total RMB'000
Cost						
Balance at 1 January 2014	909,317	1,174,285	26,103	18,139	1,420,130	3,547,974
Additions	1,183	102,150	3,849	6,800	630,849	744,831
Transfers	–	–	–	2,431	(2,431)	–
Disposals	–	(140)	(355)	(78)	–	(573)
Written off	(293)	–	–	(174)	–	(467)
Foreign currency realignment	(2)	–	(41)	1	–	(42)
Balance at 31 December 2014	910,205	1,276,295	29,556	27,119	2,048,548	4,291,723
Accumulated depreciation						
Balance at 1 January 2014	88,310	408,977	7,919	9,945	–	515,151
Depreciation for the financial year	27,685	126,186	3,022	2,868	–	159,761
Disposals	–	(54)	(124)	(68)	–	(246)
Written off	(235)	–	–	(148)	–	(383)
Foreign currency realignment	(4)	–	(2)	3	–	(3)
Balance at 31 December 2014	115,756	535,109	10,815	12,600	–	674,280
Carrying amount						
At 31 December 2014	794,449	741,186	18,741	14,519	2,048,548	3,617,443

The additions include construction-in-progress items which were prepaid in the prior financial year of approximately RMB103,633,000 (2014: RMB286,217,000).

NOTES TO THE FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2015 and 2014, certain property, plant and equipment, with carrying amount of approximately RMB1,764,368,000 and RMB1,215,766,000 respectively were pledged as securities for bank borrowings (Note 26). Out of additions during the current financial year of RMB680,272,000 (2014: RMB744,831,000), RMB124,656,000 (2014: RMB120,871,000) were borrowing costs that were capitalised into construction-in-progress for the year ended 31 December 2015 and RMB124,086,000 (2014: RMB117,059,000) of the borrowing costs have been paid.

	Buildings and improvements RMB'000	Office equipment RMB'000	Motor vehicle RMB'000	Total RMB'000
The Company				
Cost				
Balance at 1 January 2015	**487**	**76**	**2,086**	**2,649**
Foreign currency alignment	**(10)**	**(1)**	**(44)**	**(55)**
Balance at 31 December 2015	**477**	**75**	**2,042**	**2,594**
Accumulated depreciation				
Balance at 1 January 2015	**303**	**58**	**383**	**744**
Depreciation for the financial year	**151**	**11**	**203**	**365**
Foreign currency alignment	**(6)**	**(1)**	**(7)**	**(14)**
Balance at 31 December 2015	**448**	**68**	**579**	**1,095**
Carrying amount				
At 31 December 2015	**29**	**7**	**1,463**	**1,499**

	Buildings and improvements RMB'000	Office equipment RMB'000	Motor vehicle RMB'000	Total RMB'000
The Company				
Cost				
Balance at 1 January 2014	783	235	2,127	3,145
Additions	–	13	–	13
Written off	(293)	(174)	–	(467)
Foreign currency alignment	(3)	2	(41)	(42)
Balance at 31 December 2014	487	76	2,086	2,649
Accumulated depreciation				
Balance at 1 January 2014	339	175	177	691
Depreciation for the financial year	203	28	208	439
Written off	(235)	(148)	–	(383)
Foreign currency alignment	(4)	3	(2)	(3)
Balance at 31 December 2014	303	58	383	744
Carrying amount				
At 31 December 2014	184	18	1,703	1,905

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17. LAND USE RIGHTS

The Group	2015 RMB'000	2014 RMB'000
Cost		
Balance at beginning of the financial year	**339,838**	339,838
Addition	**29,890**	–
Balance at end of the financial year	**369,728**	339,838
Accumulated amortisation		
Balance at beginning of the financial year	**28,519**	21,553
Amortisation for the financial year	**7,275**	6,966
Balance at end of the financial year	**35,794**	28,519
Carrying amount		
At end of the financial year	**333,934**	311,319

The amount represents costs of the land use rights in respect of lands located in the PRC under medium term leases ranging from 39 to 50 years, where certain of the Group's property, plant and equipment and properties under development are built on.

As at 31 December 2015, land use rights with carrying amount of approximately RMB309,708,958 (2014: RMB286,541,000) were pledged as securities for bank borrowings (Note 26).

18. INTERESTS IN SUBSIDIARIES

The Company	2015 RMB'000	2014 RMB'000
Unquoted equity shares, at cost	**647,588**	661,567
Amounts due from subsidiaries	**1,946,795**	1,981,674
	2,594,383	2,643,241

The amounts due from subsidiaries form part of the Company's net investments in certain subsidiaries. They are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

Amounts due from subsidiaries are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
Singapore dollar	**1,569,186**	24,665
Renminbi	**377,609**	1,957,009
	1,946,795	1,981,674

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Effective equity interest 2015 %	Effective equity interest 2014 %	Issued/Registered and paid up capital	Country of incorporation/ operations	Principal activities
North East Industries Pte Ltd[1][5]	**100**	100	2 ordinary shares[5]	Singapore	Investment holding
Green Oasis Pte Ltd[1][5]	**100**	100	2 ordinary shares[5]	Singapore	Investment holding
Midas Ventures Pte. Ltd.[1][5]	**100**	100	2 ordinary shares[5]	Singapore	Inactive
Jilin Midas Light Alloy Co., Ltd.[2][4]	**100**	100	Registered and paid up capital of USD100 million	PRC	Sale of aluminium plates and sheets products
<u>Subsidiary of North East Industries Pte Ltd</u>					
Jilin Midas Aluminium Industries Co., Ltd.[2][4]	**100**	100	Registered and paid up capital of USD187.5 million	PRC	Manufacture and sales of aluminium alloy extrusion products
<u>Subsidiary of Jilin Midas Aluminium Industries Co., Ltd.</u>					
Luoyang Midas Aluminium Industries Co., Ltd.[2][4]	**100**	100	Registered and paid up capital of RMB330.6 million	PRC	Manufacture of high precision, high specifications aluminium
<u>Subsidiary of Green Oasis Pte Ltd</u>					
Shanxi Wanshida Engineering Plastics Co., Ltd.[3][4]	**100**	100	Registered and paid up capital of USD6 million	PRC	Manufacture and sales of polyethylene pipes

[1] Audited by Mazars LLP, Singapore
[2] Audited by an overseas member firm of Mazars for consolidation purposes
[3] Reviewed by an overseas member firm of Mazars for consolidation purposes
[4] These entities are wholly foreign owned enterprises established in the PRC
[5] Total issued and paid up share capital of the entity is S$2 only

On 11 July 2014, the Group acquired 45% equity interest in Jilin Midas Light Alloy Co., Ltd. for cash consideration of RMB306,000,000. Consequently, Jilin Midas Light Alloy Co., Ltd. became a wholly-owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18. INTERESTS IN SUBSIDIARIES (CONTINUED)

The following table shows the effects of changes in the Group's ownership interest in a subsidiary, Jilin Midas Light Alloy Co., Ltd. in 2014:

The Group	2014 RMB'000
Consideration paid for acquisition of non-controlling interest	306,000
Transaction costs	123
Non-controlling interest acquired	(276,287)
Difference recognised in equity	29,836

19. INTEREST IN AN ASSOCIATE

Details of the associate are as follows:

Name of associate	Effective equity interest 2015 %	Effective equity interest 2014 %	Issued/Registered and paid up capital	Country of incorporation/ operations	Principal activities
CRRC Nanjing Puzhen Rail Transport Co., Ltd.[1][2]	32.5	32.5	Registered and paid up capital of RMB500 million	PRC	Manufacture and sale of metro trains, bogies and their related parts

[1] Audited by an overseas member firm of Mazars for equity accounting purpose
[2] This entity is a sino-foreign investment joint enterprise in the PRC

The Group	2015 RMB'000	2014 RMB'000
Unquoted equity investment, share of net assets		
Balance at beginning of the financial year	**208,364**	192,539
Dividend receivable	**(11,845)**	(10,530)
Share of profit	**31,712**	29,024
Exchange difference	**(2,949)**	(2,669)
Balance at end of the financial year	**225,282**	208,364

The Company	2015 RMB'000	2014 RMB'000
Unquoted equity investment, at cost		
Balance at beginning of the financial year	**139,529**	142,198
Exchange difference	**(2,949)**	(2,669)
Balance at end of the financial year	**136,580**	139,529

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

19. INTEREST IN AN ASSOCIATE (CONTINUED)

Summarised financial information (based on its FRS financial statements)

	CRRC Nanjing Puzhen Rail Transport Co., Ltd.	
	2015 RMB'000	2014 RMB'000
Assets and liabilities:		
Non-current assets	**247,279**	277,985
Current assets	**2,948,034**	3,038,597
Total assets	**3,195,313**	3,316,582
Non-current liabilities	**5,085**	5,710
Current liabilities	**2,508,013**	2,688,077
Total liabilities	**2,513,098**	2,693,787
Net assets	**682,215**	622,795
Group's share of associate's net assets	**221,720**	202,408
Other adjustments	**3,562**	5,956
Carrying amount of the investment as at 31 December	**225,282**	208,364
Results		
Revenue	**3,549,249**	3,405,388
Profit for the year and total comprehensive income	**94,777**	89,306
Group's share of associate's profit for the year	**31,712**	29,024

20. PREPAID RENTAL

The Group	2015 RMB'000	2014 RMB'000
Cost		
Balance at beginning and end of the financial year	**193**	193
Accumulated amortisation		
Balance at beginning of the financial year	**101**	94
Amortisation for the financial year	**8**	7
Balance at end of the financial year	**109**	101
Carrying amount		
At end of the financial year	**84**	92

NOTES TO THE FINANCIAL STATEMENTS

21. RESTRICTED BANK DEPOSITS

As at 31 December 2015, restricted bank deposits represented deposits placed in certain banks mainly for securing the issuance of letters of credit amounted to RMB96,550,000 (2014: RMB37,822,000). The restricted bank deposits bore interest at effective rate ranging between 0.35% to 1.55% (2014: 0.35%) per annum respectively and for a tenure ranging between 0.5 year to 1 year (2014: 1 year to 2 years).

The carrying amounts of restricted bank deposits approximate their fair values and are denominated in Renminbi.

22. INVENTORIES

The Group	2015 RMB'000	2014 RMB'000
Raw materials	**100,846**	135,253
Work-in-progress	**118,412**	90,898
Finished goods	**339,436**	337,560
	558,694	563,711

The cost of inventories recognised as expense and included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income amounted to RMB742,746,000 (2014: RMB700,833,000).

23. TRADE AND OTHER RECEIVABLES

The Group	2015 RMB'000	2014 RMB'000
Trade receivables – third parties	**937,583**	839,064
Trade receivables – associate	**–**	44,789
	937,583	883,853
Allowance for doubtful trade receivables	**(1,832)**	(1,832)
	935,751	882,021
Deposits and prepayments	**187,885**	412,385
Notes receivables	**1,250**	–
Amount due from an associate – non-trade	**11,846**	9,994
Others – non-trade	**127,370**	87,952
	1,264,102	1,392,352

The Company	2015 RMB'000	2014 RMB'000
Deposits and prepayments	**308**	664
Others – non-trade	**424**	36
Amount due from an associate – non-trade	**11,846**	9,994
	12,578	10,694

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables due from third parties are non-interest bearing and are generally on 90 to 120 days credit terms.

Notes receivables are non-interest bearing and are generally settled on terms of 6 months.

Trade amounts due from an associate is non-interest bearing and is generally on 90 days credit term. The non-trade amount due from an associate relates to dividend receivable from the associate and was unsecured, non-interest bearing and repayable on demand.

The Group and Company recognised impairment loss on individual assessment of customers based on the accounting policy stated in Note 2.10.

As at 31 December 2015, certain trade receivables with carrying values of approximately RMB133,285,000 (2014: RMB424,656,000) were pledged as securities for bank borrowings (Note 26).

The ageing analysis of the Group's trade receivables at the reporting date is as follows:

The Group	2015 RMB'000	2014 RMB'000
Within 90 days	**390,074**	381,062
Over 90 days and within 120 days	**197,575**	112,808
Over 120 days and within 6 months	**116,001**	119,475
Over 6 months and within 1 year	**173,589**	231,814
Over 1 year and within 2 years	**59,819**	37,720
Over 2 years	**525**	974
	937,583	883,853

The ageing analysis of the Group's trade receivables past due but not impaired at the reporting date is as follows:

The Group	2015 RMB'000	2014 RMB'000
Over 90 days and within 120 days	**197,575**	112,808
Over 120 days and within 6 months	**116,001**	119,475
Over 6 months and within 1 year	**172,837**	231,759
Over 1 year	**59,264**	36,917
	545,677	500,959

The balances that are past due but not impaired relate to a number of customers that have good track records with the Group. Based on their past experience, the management estimated that the carrying amounts could be fully recovered.

NOTES TO THE FINANCIAL STATEMENTS

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in allowance for doubtful trade receivables are as follows:

The Group	2015 RMB'000	2014 RMB'000
Balance at beginning and end of the financial year	**1,832**	1,832

The carrying amounts of trade and other receivables are denominated in the following currencies:

The Group	2015 RMB'000	2014 RMB'000
Euro	**45,469**	40,866
Renminbi	**1,186,732**	1,350,725
Singapore dollar	**9,531**	707
Hong Kong dollar	**–**	54
United States dollar	**13,716**	–
British pound	**8,654**	–
	1,264,102	1,392,352

The Company	2015 RMB'000	2014 RMB'000
Singapore dollar	**732**	652
Renminbi	**11,846**	10,004
Hong Kong dollar	**–**	38
	12,578	10,694

24. CASH AND CASH EQUIVALENTS

The carrying amounts of cash and cash equivalents comprising cash and bank balances are denominated in the following currencies:

The Group	2015 RMB'000	2014 RMB'000
Euro	**22**	5,338
Renminbi	**1,158,562**	1,192,400
Singapore dollar	**3,642**	11,623
United States dollar	**79**	45
Hong Kong dollar	**87**	41
Others	**53**	54
	1,162,445	1,209,501

NOTES TO THE FINANCIAL STATEMENTS

24. CASH AND CASH EQUIVALENTS (CONTINUED)

The Company	2015 RMB'000	2014 RMB'000
Euro	**4**	15
Renminbi	**2**	28
Singapore dollar	**3,537**	10,678
United States dollar	**54**	21
Hong Kong dollar	**84**	37
Others	**29**	27
	3,710	10,806

25. TRADE AND OTHER PAYABLES

The Group	2015 RMB'000	2014 RMB'000
Trade payables	**245,578**	162,732
Notes payable	**316,400**	182,500
Other payables and accruals	**319,191**	263,450
Amount due to an associate – non-trade	**38,686**	–
Advance from third parties customers	**7,456**	7,117
	927,311	615,799

The Company	2015 RMB'000	2014 RMB'000
Other payables and accruals	**14,041**	13,154

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days terms while other payables have an average term of 30 days.

Notes payable have an average maturity period of 6 months and are non-interest bearing.

The ageing analysis of the Group's trade payables at the reporting date is as follows:

	2015 RMB'000	2014 RMB'000
Within 90 days	**96,721**	28,203
Over 90 days and within 6 months	**25,954**	17,106
Over 6 months and within 1 year	**40,957**	82,010
Over 1 year	**81,946**	35,413
	245,578	162,732

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25. TRADE AND OTHER PAYABLES (CONTINUED)

The carrying amounts of trade and other payables are denominated in the following currencies:

The Group	2015 RMB'000	2014 RMB'000
Singapore dollar	**14,096**	13,211
Renminbi	**913,215**	602,090
Euro	**–**	498
	927,311	615,799

The Company	2015 RMB'000	2014 RMB'000
Singapore dollar	**14,041**	13,154

26. BORROWINGS

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Secured bank borrowings (Note i)	**1,173,150**	1,173,180	**–**	–
Unsecured bank borrowings	**1,918,550**	1,818,260	**–**	–
Medium-term notes	**731,500**	744,008	**731,500**	744,008
	3,823,200	3,735,448	**731,500**	744,008
Carrying amount repayable:				
Within one financial year	**2,073,091**	1,604,173	**343,161**	–
Between one to two financial years	**765,279**	562,165	**388,339**	349,142
Between two to five financial years	**814,830**	1,199,110	**–**	394,866
More than five financial years	**170,000**	370,000	**–**	–
	3,823,200	3,735,448	**731,500**	744,008
Less: Amounts due within one financial year shown under current liabilities	**(2,073,091)**	(1,604,173)	**(343,161)**	–
	1,750,109	2,131,275	**388,339**	744,008

On 3 February 2014 and 28 May 2014, the Company issued an aggregate principal amount of S$85 million 5.75% fixed rate notes due 2017 and S$75 million 6.00% fixed rate notes due 2016 respectively (the "Notes") under the S$500,000,000 Multicurrency Medium Term Note Programme established by the Company on 2 October 2013. The corresponding interest for the issued Notes will be payable semi-annually in arrears. The net proceeds from the issue (after deducting issue expenses of RMB9,209,000) will be used for refinancing of existing borrowings and financing of acquisitions, investments and working capital, as well as to meet capital expenditure requirements of the Issuer or the Group. The carrying amount of the borrowings approximate its fair value as of reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26. BORROWINGS (CONTINUED)

The effective interest rates, which are also equal to contracted interest rates, per annum are as follows:

	2015 %	2014 %
Short-term loans	**4.35 – 7.32**	4.92 – 7.20
Long-term loans	**4.35 – 7.40**	6.55 – 7.40

All bank borrowings are variable-rate borrowings, and these borrowings carried interest at rates ranging from 100% to 120% (2014: 100% to 130%) of the benchmark interest rate as quoted by The People's Bank of China.

The carrying amounts of borrowings are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
The Group		
Singapore dollar	**731,500**	744,008
Renminbi	**3,091,700**	2,991,440
	3,823,200	3,735,448
The Company		
Singapore dollar	**731,500**	744,008

Note:

(i) The bank borrowings were secured by certain property, plant and equipment, land use rights and various trade receivables owned by the Group as set out in Notes 16, 17 and 23 to the consolidated financial statements.

27. DEFERRED TAX ASSETS/(LIABILITY)

	2015 RMB'000	2014 RMB'000
Deferred tax assets (a)	**18,118**	17,138
Deferred tax liability (b)	**(2,141)**	(2,141)

(a) Deferred tax assets are recognised to the extent that the realisation of the related tax benefits through future tax profits is probable. The deferred tax assets as of 31 December 2015 relate to cumulative tax losses of certain PRC subsidiaries which are expected to commence operations in the next two years and to generate future taxable profits in excess of the profits arising from the reversal of taxable temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

27. DEFERRED TAX ASSETS/(LIABILITY) (CONTINUED)

(a) (Continued)

Details of the deferred tax assets recognised and movements during the financial year are as follow:

	RMB'000
The Group	
At 1 January 2014	–
Credited to profit or loss	17,138
At 31 December 2014 and 1 January 2015	17,138
Credited to profit or loss	980
At 31 December 2015	18,118

(b) During the financial year ended 31 December 2008, an inter-company loan within the Group was capitalised that gave rise to an exchange difference of approximately S$1,635,000 (RMB7,411,000 equivalent) which was credited to the foreign currency translation reserve at the Group level.

This exchange difference had also given rise to a future tax obligation of approximately S$419,000 (RMB1,899,000 equivalent) which was recognised as a deferred tax liability on the consolidated statement of financial position with a corresponding entry to the foreign currency translation reserve as at 31 December 2008.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred tax has not been provided for in the consolidated statements of comprehensive income in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries and associate as at 31 December 2015 and 2014 amounting to approximately RMB746,836,000 and RMB745,118,000 respectively as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	The Group and the Company			
	2015	2014	2015	2014
	Number of ordinary shares		RMB'000	RMB'000
Issued and fully paid				
Balance at beginning and end of the financial year	**1,217,617,800**	1,217,617,800	**2,166,575**	2,166,575

(i) The Company has one class of ordinary shares which carries a right to dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and have no par value.

(b) Treasury shares

	The Group and the Company			
	2015	2014	2015	2014
	Number of ordinary shares		RMB'000	RMB'000
Balance at beginning and end of the financial year	**1,000,000**	1,000,000	**2,501**	2,501

The Company acquired 1,000,000 of its own shares through purchases on the Singapore Stock Exchange during the financial year ended 31 December 2008. The total amount paid to acquire the shares was S$518,000 (RMB2,501,000 equivalent) and has been deducted from shareholders' equity.

29. RESERVES

The Company	Treasury shares (Note 28(b)) RMB'000	Foreign currency translation reserve (Note 30) RMB'000	Share options reserve (Note 32) RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2015	**(2,501)**	**(132,602)**	**–**	**17,541**	**(117,562)**
Total comprehensive income for the financial year	**–**	**(42,651)**	**–**	**24,743**	**(17,908)**
Dividends (Note 14)	**–**	**–**	**–**	**(27,896)**	**(27,896)**
Balance at 31 December 2015	**(2,501)**	**(175,253)**	**–**	**14,388**	**(163,366)**
Balance at 1 January 2014	(2,501)	(92,527)	2,740	3,131	(89,157)
Total comprehensive income for the financial year	–	(40,075)	–	41,251	1,176
Dividends (Note 14)	–	–	–	(29,581)	(29,581)
Transfer of option reserve to retained earnings	–	–	(2,740)	2,740	–
Balance at 31 December 2014	(2,501)	(132,602)	–	17,541	(117,562)

NOTES TO THE **FINANCIAL STATEMENTS**

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30. FOREIGN CURRENCY TRANSLATION RESERVE

The Group and the Company

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Movements in the Group's foreign currency translation reserve are set out in the consolidated statement of changes in equity.

31. PRC STATUTORY RESERVE

The Group

PRC statutory reserve represents the amounts transferred from profit after income tax of the subsidiaries incorporated in the PRC in accordance with the PRC statutory requirements. The PRC statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing share capital. Movement in this account is set out in the consolidated statement of changes in equity.

32. SHARE OPTIONS RESERVE

The Group and the Company

Share options reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options. Movement in this account is set out in the consolidated statement of changes in equity.

Equity-settled share options scheme

The Company has a share options scheme known as Midas Employee Share Options Scheme (the "Scheme") for all employees of the Group. Under the Scheme, an option entitles the option holder to subscribe for a specific number of new ordinary shares in the Company comprised in the option at a subscription price per share determined with reference to the market price of the share at the time of grant of the option.

Options granted with the subscription price set at the market price shall only be exercisable after the first anniversary from the date of grant of the option. Options granted with the subscription price set at a discount to the market price shall only be exercisable after the second anniversary from the date of the grant of the option. The shares under option may be exercised in whole or in part thereof.

Options granted will lapse when the option holder ceases to be a full-time employee of the Group subject to certain exceptions at the discretion of the Company.

32. SHARE OPTIONS RESERVE (CONTINUED)

The Group and the Company (Continued)

Equity-settled share options scheme (Continued)

The share options had expired in financial year ended 2014 as follows:

The Group and the Company	Balance at beginning of the financial year	Granted during the financial year	Cancelled/ Expired during the financial year	Balance at end of the financial year	Exercise price
At 31 December 2014					
2009 options	4,750,000	–	(4,750,000)	–	S$0.517

The weighted average share price at the date of exercise for share options exercised, expired or cancelled in the financial year ended 31 December 2014 was S$0.517. The options outstanding as at 31 December 2014 have a weighted average remaining contractual life of nil year. The fair values for the above share options granted in previous financial years were calculated using the Hull-White option pricing model.

There were no shares options granted for the financial years ended 31 December 2015 and 31 December 2014.

33. OPERATING LEASE COMMITMENTS

As at reporting date, the total future minimum lease payments under non-cancellable operating leases are as follows:

The Group	2015 RMB'000	2014 RMB'000
Within one year	**1,129**	1,060
After one year but within five years	**2,545**	221
Total	**3,674**	1,281

The Group leases a number of properties under operating leases. Leases are negotiated for an average term of 3 years (2014: 3 years) and rentals are fixed for an average of 3 to 5 years (2014: 3 to 5 years). These leases have no escalation clauses, restriction and do not provide contingent rents.

34. CAPITAL COMMITMENTS

The Group	2015 RMB'000	2014 RMB'000
Commitments for the acquisition and construction of property, plant and equipment:		
Contracted but not provided for	**540,903**	527,042

35. SIGNIFICANT RELATED PARTY TRANSACTION

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(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).

Associates are related parties and include those that are associates of the holding and/or related companies.

Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO THE **FINANCIAL STATEMENTS**

35. SIGNIFICANT RELATED PARTY TRANSACTION (CONTINUED)

In addition to the information disclosed in Note 23 to the consolidated financial statements, significant related party transactions between the Group and its related parties during the financial year were as follows:

Related party relationship	Type of transaction	2015 RMB'000	2014 RMB'000
Associate	Sales of goods	**147,062**	122,435
Associate	Dividend income	**11,845**	10,530

Compensation of key management personnel

Remuneration of key management personnel of the Group, including certain amounts paid or payable to the Company's Directors as disclosed in Note 10 to the consolidated financial statements, for the financial year is as follows:

	2015 RMB'000	2014 RMB'000
Salaries and other short-term employee benefits	**13,132**	11,330
Post-employment benefits – CPF contribution	**711**	232
Directors fees	**732**	778
	14,575	12,340

36. FINANCIAL RISK AND CAPITAL MANAGEMENT

36.1 Financial risk management

The Group's activities expose it to capital risk, credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuation, if any, in interest rates and foreign exchange rates. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.1 Financial risk management (Continued)

(a) Credit risk

The Group places its bank balances and restricted bank balances with approved credit worthy financial institutions which are regulated. The Group performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. The Group assesses the customers' credibility and performs periodic reviews of the credit limits granted to the latter based on the findings from such assessments.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statements of financial position.

The Group has a concentration of credit risk of the trade receivables due from the five largest debtors. As at 31 December 2015 and 2014, approximately 64% and 77% of total trade receivables respectively, were due from the five largest debtors.

(b) Market risk

(i) Interest rate risk

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

The following tables set out the respective carrying amounts, by maturity, of the Group's financial instruments as at end of the financial year, that are exposed to interest rate risk.

	Weighted average effective interest rate		Carrying amount	
	2015	**2014**	**2015**	**2014**
The Group	**%**	**%**	**RMB'000**	**RMB'000**
Variable rate instruments				
Financial assets				
Restricted bank deposits	**0.35-1.55**	0.35	**96,550**	37,822
Cash and cash equivalents	**1.02**	0.56	**1,162,445**	1,209,501
			1,258,995	1,247,323
Financial liabilities				
Interest-bearing bank borrowings	**5.43**	6.91	**3,091,700**	2,991,440
Multicurrency medium term loan	**6.35**	6.36	**731,500**	744,008
			3,823,200	3,735,448

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.1 Financial risk management (Continued)

(b) ***Market risk*** (Continued)

(i) *Interest rate risk* (Continued)

	Weighted average effective interest rate		Carrying amount	
	2015	2014	2015	2014
The Company	%	%	RMB'000	RMB'000
Variable rate instruments				
Financial assets				
Cash and cash equivalents	**0.38**	2.90	**3,710**	10,806
Financial liabilities				
Multicurrency medium term loan	**6.35**	6.36	**731,500**	744,008

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for financial instruments as at reporting date. For floating rate assets and liabilities, the analysis is prepared assuming the amount of assets and liabilities outstanding at reporting date was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis point ("bp") change in the interest rates from the reporting date, with all other variables held constant.

	Impact to profit before income tax expense	
	100 bp increase	100 bp decrease
	RMB'000	RMB'000
The Group		
At 31 December 2015		
Cash and cash equivalents	**11,624**	**(11,624)**
Restricted bank deposits	**967**	**(967)**
Bank borrowings	**(38,232)**	**38,232**
	(25,641)	**25,641**
At 31 December 2014		
Cash and cash equivalents	12,095	(12,095)
Restricted bank deposits	378	(378)
Bank borrowings	(37,354)	37,354
	(24,881)	24,881

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.1 Financial risk management (Continued)

(b) ***Market risk*** (Continued)

(ii) *Foreign currency risk*

The Group has foreign currency exposures arising from transactions that are denominated in a currency other than the functional currency of Group entities, primarily Renminbi. As at the reporting date, the Group does not have significant foreign currency risk exposure except for the financial assets denominated in Euro and United States dollar. The Company does not have significant foreign currency risk exposure except for the financial assets denominated in United States dollar and Renminbi. It is not the Group's policy to enter into any financial derivatives to hedge its exchange risks.

The following table sets out the carrying amount of monetary assets and liabilities of the Group that are denominated in currencies other than the functional currency of the applicable Group entities:

	Assets		Liabilities	
	2015 RMB'000	**2014 RMB'000**	**2015 RMB'000**	**2014 RMB'000**
Euro	**45,491**	46,204	**–**	498
Renminbi	**11,848**	10,032	**–**	–
Singapore dollar	**8,904**	643	**55**	57
United States dollar	**13,795**	45	**–**	–
Hong Kong dollar	**87**	94	**–**	–
British pound	**8,654**	–	**–**	–
Other	**53**	53	**–**	–
	88,832	57,071	**55**	555

<u>*Foreign currency sensitivity analysis*</u>

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible 10% change in exchange rate of Euro and United States dollar against the respective functional currencies of the Group entities, with all other variables held constant.

	Impact to profit before income tax	
	Strengthened by 10% RMB'000	**Weakened by 10% RMB'000**
<u>The Group</u>		
At 31 December 2015		
Euro	**4,549**	**(4,549)**
United States dollar	**1,380**	**(1,380)**
	5,929	**(5,929)**
At 31 December 2014		
Euro	4,571	(4,571)
United States dollar	4	(4)
	4,575	(4,575)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.1 Financial risk management (Continued)

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its obligations. Liquidity risk is managed by monitoring and maintaining a level of cash and cash equivalents and trade and other receivables considered adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flow. In doing so, the management monitors the utilisation of borrowings to ensure adequate unutilised banking facilities and compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up using undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table includes both interest and principal cash flows.

The Group	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within one year RMB'000	After one year but less than five years RMB'000	Due five or more than five years RMB'000
At 31 December 2015					
Financial assets					
Trade and other receivables (exclude prepayment)	**1,248,130**	**1,248,130**	**1,248,130**	**–**	**–**
Restricted deposits	**96,550**	**96,550**	**96,550**	**–**	**–**
Cash and cash equivalents	**1,162,445**	**1,162,445**	**1,162,445**	**–**	**–**
	2,507,125	**2,507,125**	**2,507,125**	**–**	**–**
Financial liabilities					
Trade and other payables	**888,625**	**888,625**	**888,625**	**–**	**–**
Bank borrowings	**2,956,816**	**3,240,976**	**1,717,812**	**1,348,052**	**175,112**
Multicurrency medium term loan	**731,500**	**734,957**	**390,446**	**344,511**	**–**
	4,576,941	**4,864,558**	**2,996,883**	**1,692,563**	**175,112**
At 31 December 2014					
Financial assets					
Trade and other receivables	1,380,981	1,380,981	1,380,981	–	–
Cash and cash equivalents	1,209,501	1,209,501	1,209,501	–	–
	2,590,482	2,590,482	2,590,482	–	–
Financial liabilities					
Trade and other payables	615,799	615,799	615,799	–	–
Bank borrowings	2,991,440	3,592,832	1,869,875	1,535,776	187,181
Multicurrency medium term loan	744,008	750,821	–	750,821	–
	4,351,247	4,959,452	2,485,674	2,286,597	187,181

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.1 Financial risk management (Continued)

(c) *Liquidity risk* (Continued)

The Company	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	Within one year RMB'000	After one year but less than five years RMB'000
At 31 December 2015				
Financial assets				
Other receivables	**424**	**424**	**424**	**–**
Cash and cash equivalents	**3,710**	**3,710**	**3,710**	**–**
	4,134	**4,134**	**4,134**	**–**
Financial liabilities				
Other payables	**14,041**	**14,041**	**14,041**	**–**
Multicurrency medium term loan	**731,500**	**734,956**	**390,446**	**344,511**
	745,541	**748,997**	**404,487**	**344,511**
At 31 December 2014				
Financial assets				
Other receivables	10,336	10,336	10,336	–
Cash and cash equivalents	10,806	10,806	10,806	–
	21,142	21,142	21,142	–
Financial liabilities				
Other payables	13,154	13,154	13,154	–
Multicurrency medium term loan	744,008	750,821	–	750,821
	757,162	763,975	13,154	750,821

The Group's operations are financed mainly through equity, retaining earnings and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

As at 31 December 2015 and 2014, the Company has a net current liabilities position of RMB340,914,000 and a net current assets position of RMB8,346,000 respectively. The Company's cash flow obligations are supported by dividend income and management fee income derived from its subsidiaries and associate.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

36.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, treasury shares, foreign currency translation reserve, PRC statutory reserve, share options reserve and retained earnings as disclosed in Notes 28 to 32 to the consolidated financial statements.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total liabilities divided by equity. Total liabilities are the sum of "current liabilities" and "non-current liabilities" as shown on the consolidated statement of financial position and equity is "capital and reserves" as shown on the consolidated statement of financial position. The strategy remained unchanged from 2014.

The debt-equity ratio as at 31 December 2015 and 2014 were as follows:

The Group	2015 RMB'000	2014 RMB'000
Total liabilities	**4,760,692**	4,360,254
Equity	**3,041,331**	2,997,488
Debt to equity ratio (times)	**1.57**	1.45

As disclosed in Note 31 to the consolidated financial statements, all PRC subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group is in compliance with the externally imposed capital requirement for the financial years ended 31 December 2015 and 2014.

37. FAIR VALUES

The carrying amounts of the current financial assets and financial liabilities in the consolidated financial statements approximate their fair values due to the relative short term maturity of these financial instruments.

38. PROPERTIES OF THE GROUP

Location	Description	Existing use	Tenure	Unexpired lease term (years)	Site area ('000 sqm)	Gross floor area ('000 sqm)
No. 108 Yongle South Road, Hi-tech Development Zone, Ruicheng Country, Shanxi Province, PRC	Industrial complex	Office building, workshop, warehouse, staff dormitory and other ancillary facilities	Leasehold	34	28.7	10.8
Industrial Development Zone, Liaoyuan City, Jilin Province, PRC	Industrial complex	Office building, workshops and portion of the property under development	Leasehold	36 – 44	374.8	81.8
188 Fuzhen Road Liaoyuan City, Jilin Province, PRC	Industrial complex	Office building, workshop and other uses	Leasehold	36 – 41	81.8	48.5
New Zone, Louyang City, He Nan Province, PRC	Industrial complex	Office building, workshops and portion of the property under development	Leasehold	46	389	72.1
Industrial Development Zone, You Yi Village, Liaoyuan City, Jilin Province, PRC	Industrial complex	Office building, workshops and portion of the property under development	Leasehold	46	386	90

39. RECONCILIATION BETWEEN SINGAPORE FINANCIAL REPORTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

For the financial year ended 31 December 2015, there were no material differences between the consolidated financial statements of the Group prepared under Singapore Financial Reporting Standards and IFRS (which include all IFRS, International Accounting Standards and Interpretations).

40. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 17 March 2016.

STATISTICS OF **SHAREHOLDINGS**

AS AT 11 MARCH 2016

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	8	0.05	159	0.00
100 – 1,000	411	2.52	400,063	0.03
1,001 – 10,000	6,732	41.32	47,663,155	3.91
10,001 – 1,000,000	9,091	55.79	539,373,959	44.30
1,000,001 AND ABOVE	52	0.32	630,180,464	51.76
TOTAL	**16,294**	**100.00**	**1,217,617,800**	**100.00**

Number of issued shares	:	1,218,617,800
Number of issued shares (excluding treasury shares)	:	1,217,617,800
Number/Percentage of Treasury Shares	:	1,000,000 (0.08%)
Class of shares	:	ordinary shares
Voting rights	:	one vote per share

As at 11 March 2016, approximately 78.87% of the Company's ordinary shares were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	94,668,505	7.77
2	SBS NOMINEES PRIVATE LIMITED	86,040,000	7.07
3	DBS NOMINEES (PRIVATE) LIMITED	65,844,679	5.41
4	CHEW HWA KWANG PATRICK	47,211,800	3.88
5	OCBC SECURITIES PRIVATE LIMITED	41,776,700	3.43
6	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	35,000,000	2.87
7	RAFFLES NOMINEES (PTE) LIMITED	25,376,284	2.08
8	HSBC (SINGAPORE) NOMINEES PTE LTD	20,123,847	1.65
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	19,120,900	1.57
10	SING INVESTMENTS & FINANCE NOMINEES (PTE.) LTD.	18,000,000	1.48
11	CHEN WEI PING	16,405,200	1.35
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	12,439,700	1.02
13	HKSCC NOMINEES LIMITED	11,442,236	0.94
14	BANK OF SINGAPORE NOMINEES PTE. LTD.	10,815,000	0.89
15	PHILLIP SECURITIES PTE LTD	10,483,300	0.86
16	UOB KAY HIAN PRIVATE LIMITED	10,289,800	0.85
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,126,800	0.83
18	CIMB SECURITIES (SINGAPORE) PTE. LTD.	9,375,050	0.77
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,484,022	0.70
20	DBSN SERVICES PTE. LTD.	7,880,358	0.65
	TOTAL	**560,904,181**	**46.07**

SUBSTANTIAL **SHAREHOLDERS**

As shown in the Register of Substantial Shareholders

		No. of Shares	
Name of Shareholders		**Direct Interest**	**Deemed Interest**
1	CHEN WEI PING	131,405,200	–
2	CHEW HWA KWANG, PATRICK	121,711,800	–

NOTICE OF ANNUAL GENERAL MEETING

MIDAS HOLDINGS LIMITED
(Company Registration No.: 200009758W)
(Incorporated in Singapore with limited liability)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Midas Holdings Limited (the "Company") will be held at SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803 on Friday, 29 April 2016 at 9:00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **[Resolution 1]**

2. To declare a Final Dividend of 0.25 Singapore cents per ordinary share for the financial year ended 31 December 2015 (2014: 0.25 Singapore cents). **[Resolution 2]**

3. To approve the Directors' fees of S$160,000/- for the financial year ended 31 December 2015 (2014: S$160,000/-). **[Resolution 3]**

4. To re-elect the following Directors retiring pursuant to Regulation 91 of the Company's Constitution:–

   (i) Mr. Chew Hwa Kwang, Patrick **[Resolution 4]**
   (ii) Mr. Chen Wei Ping
   [See Explanatory Notes] **[Resolution 5]**

5. To re-appoint Messrs. Mazars LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. **[Resolution 6]**

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

AS SPECIAL BUSINESS

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

7. Authority to allot and issue shares up to 20% of the total number of issued shares

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 and subject to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and Rule 13.36(2) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK"), authority be and is hereby given to the Directors of the Company to issue shares or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:–

NOTICE OF ANNUAL GENERAL MEETING

i. the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 20 per cent (20%) of the total number of issued shares excluding treasury 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 and the SEHK), 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 excluding treasury shares shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this Resolution is passed, after adjusting for: -

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

   b. new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   c. any subsequent consolidation or subdivision of shares;

iii. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST and the Listing Rules of the SEHK as amended from time to time being in force (unless such compliance has been waived by the SGX-ST and the SEHK) and the Constitution for the time being of the Company; and

iv. unless revoked or varied by the Company in a general meeting, the authority conferred by 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 the earlier." **[Resolution 7]**

[See Explanatory Note]

BY ORDER OF THE BOARD
MIDAS HOLDINGS LIMITED

Tan Cheng Siew @ Nur Farah Tan
Company Secretary

Singapore,
30 March 2016

NOTICE OF ANNUAL GENERAL MEETING

CLOSURE OF REGISTERS OF MEMBERS

NOTICE IS HEREBY GIVEN that the share transfer books and register of members of the Company will be closed on 20 May 2016 on which day no share transfer will be effected.

Duly completed registrable transfers received by the Company's share registrar in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 19 May 2016 will be registered to determine Singapore shareholders' entitlements to the final dividend.

In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the bank to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

Duly completed registrable transfers accompanied with the relevant share certificates received by the Company's share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong by no later than 4.30 p.m. on 19 May 2016 will be registered to determine Hong Kong shareholders' entitlements to the final dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 29 April 2016, will be made on 3 June 2016.

Notes:

1. A member is entitled to appoint a proxy to attend and vote in his place. A proxy need not be a member of the Company. Members wishing to vote by proxy at the meeting may use the proxy form enclosed. The completed proxy form must be lodged at the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 (for Singapore shareholders), or at the Hong Kong share registrar of the Company, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) (for Hong Kong shareholders), not less than 48 hours before the time appointed for the above meeting.

2. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

1. In respect of proposed Resolutions 4 and 5, the Board of Directors, in consultation with the Nominating Committee, recommends to members the re-election of Messrs. Chew Hwa Kwang, Patrick and Chen Wei Ping.

As at the date of this notice, each of the following Directors, save as disclosed herein, did not have any other interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance in Hong Kong.

Save as disclosed herein, each of the following Directors does not hold any other position with the Company or any other member of the Company's group (the "Group"), nor has any directorships in other listed public companies in the last three years, and no Director has any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chew Hwa Kwang, **Patrick**, aged 53, is a founding member of our Group and is our Chief Executive Officer who is responsible for the overall operations and finance of our Group and its financial well-being. Mr. Chew is responsible for identifying future business opportunities and services which our Group may provide to drive future growth. Mr. Chew is also in charge of overseeing the day-to-day management of our Group as well as our Group's strategic and business development. Mr. Chew has served as our Executive Director since November 2000 and played a major role in the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chew has more than twenty years of management experience.

Mr. Chew has entered into a service contract with the Company for a term of three years commencing from 1 January 2012 which may be terminated by either party thereto giving to the other party not less than six months' prior notice in writing. The contract has been auto-renewed on 1 January 2015 subject to the term and condition stated in the service contract.

Mr. Chew is entitled to receive a monthly salary of S$34,500, a monthly transport allowance of S$6,000 and a bonus equivalent to a percentage of the audited consolidated profit before taxation and before profit sharing (excluding gains on exceptional items and extraordinary items) but after minority interest of our Group for the relevant year or up to three months salary.

As at the date of this notice, Mr. Chew had an interest in 121,711,800 shares of the Company.

Mr. Chen Wei Ping, aged 55, was appointed as our Director on 21 August 2002 and has been Executive Chairman of our Company since March 2003. Mr. Chen is instrumental in developing and steering our Group's corporate directions and strategies. Mr. Chen is responsible for the effective management of business relations with our strategic partners. In addition, Mr. Chen spearheaded the listing of our Company's shares on the SGX-ST on 23 February 2004 and on the SEHK on 6 October 2010. Mr. Chen has more than twenty years of management experience and holds a Bachelor Degree in Economics from Jilin Finance & Trade College (PRC) as well as a Master Degree in Economics from Jilin University (PRC).

NOTICE OF **ANNUAL GENERAL MEETING**

Mr. Chen has entered into a service contract with the Company for a term of three years commencing from 1 January 2012 which may be terminated by either party thereto giving to the other party not less than six months' prior notice in writing. The contract has been auto-renewed on 1 January 2015 subject to the term and condition stated in the service contract.

Mr. Chen is entitled to receive a monthly salary of S$41,000, a monthly transport allowance of S$7,000 and a bonus equivalent to a percentage of the audited consolidated profit before taxation and before profit sharing (excluding gains on exceptional items and extraordinary items) but after minority interest of our Group for the relevant year or up to three months salary.

As at the date of this notice, Mr. Chen had an interest in 131,405,200 shares of the Company.

2. The Ordinary Resolution 7 proposed in item (7), if passed, will empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting, to allot and issue new shares in the Company (whether by way of rights, bonus or otherwise). The number of shares which the Directors may issue under this Resolution shall not exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   As at the date of this notice, the issued share capital of the Company comprised 1,217,617,800 shares (excluding 1,000,000 treasury shares). Subject to the passing of ordinary resolution no. 7 and on the basis that no further shares are issued or repurchased after the date of this notice and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 243,523,560 shares.

As at the date of this notice, the executive directors of the Company are Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick; and the independent non-executive directors of the Company are Mr. Chan Soo Sen, Dr. Xu Wei Dong and Mr. Tong Din Eu.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy 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 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.

MIDAS HOLDINGS LIMITED

(Company Registration No.: 200009758W)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

PROXY FORM

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 2 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

I/We ____

of ____

being a member/members of Midas Holdings Limited, hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Fifteenth AGM of the Company to be held at SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803 on Friday, 29 April 2016 at 9:00 a.m. and at any adjournment thereof.

If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For	No. of Votes Against
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditors' Report thereon.		
2.	To approve payment of proposed final dividend.		
3.	To approve payment of Directors' fees of S$160,000/-.		
4.	To re-elect Mr. Chew Hwa Kwang, Patrick as a Director.		
5.	To re-elect Mr. Chen Wei Ping as a Director.		
6.	To re-appoint Messrs. Mazars LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.		
7.	Authority to allot and issue shares.		

Signed this _____ day of ____________ 2016

Total No. of Shares in:	No. of Shares
1) CDP Register	
2) Register of Members	

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

Notes:

1. A member of the Company who is not a relevant intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint more than one proxy to attend and vote in his stead. Such proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointments shall be deemed to be in the alternatives unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

2. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

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

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

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

3. The instrument appointing a proxy must be signed by the appointor or his duly authorised attorney or if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or a duly authorised officer of the corporation.

4. A corporation which is a member may also appoint by resolution of its directors or other governing body such person as it thinks fit to act as an authorised representative or representatives in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.

5. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company, 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 (for Singapore shareholders), or at the Hong Kong share registrar of the Company, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders) at least 48 hours before the time fixed for holding the Annual General Meeting.

6. A member should insert the total number of Ordinary Shares held. If the member has Ordinary Shares entered against his name in the Depository Register he should insert that number of Ordinary Shares. If the member has Ordinary Shares registered in his name in the Register of Members, he should insert that number of Ordinary Shares. If the member has Ordinary Shares entered against his name in the Depository Register as well as Ordinary Shares registered in his name in the Register of Members, he should insert the aggregate number of Ordinary Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Ordinary Shares held by the member.

7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Ordinary Shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have Ordinary Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 March 2016.