ANNUAL REPORT 2014

ASPIAL

CORPORATION LIMITED

REACHING NEW HEIGHTS

(cover, this page)
Australia 108 by WORLD CLASS LAND
Artist's Impression

CONTENTS

Destinée Niessing Heaven Collection by LEE HWA

CHIEF EXECUTIVE OFFICER'S MESSAGE

While in 2013 we delivered record financial results and primed our businesses to take advantage of substantial opportunities for growth in the years ahead, 2014 turned out to be different. The challenging business environment in Singapore has impacted us, due to the substantial slowdown in residential property sales and concurrently, a weaker retail environment amidst declining tourist arrivals.

Despite challenging conditions, we recorded only a slightly lower revenue of S$510.1 million in 2014, compared to revenue of S$515.3 million in 2013. Notwithstanding the marginal dip, we have managed to remain consistent, performing at a level similar to 2013.

While the Group managed to record a relatively consistent revenue, net profit declined approximately 37%, or S$31.8 million, to S$53.6 million in FY2014, primarily due to lower profit from associates (Parc Rosewood project had obtained TOP), exchange loss due to the falling Australia Dollar, and higher sales and marketing costs for property launches in 2014 – these included The Hillford, Waterfront@Faber, CityGate and Australia 108.

Nonetheless, the Group's financial position continued to remain strong, with our cash and cash equivalents as at 31 December 2014 rising to S$83.6 million, a 23.9% increase from S$67.5 million in the preceding period.

Based on the Group's latest financial results and weighted average number of ordinary shares, earnings per share for FY2014 was 2.41 Singapore cents, declining from 4.08 Singapore cents previously.

Even with the tepid macro environment in 2014, the Group remains optimistic about its future prospects. The directors have recommended a final dividend of 0.8 Singapore cent and a special dividend in specie on the basis of 0.04 Maxi-Cash Financial Services Corporation Ltd share for each share in the Company, which is equivalent to a market value of approximately 0.8 Singapore cent per share tax exempt one-tier.

Together with the interim dividend of 1.0 Singapore cent per share, declared and paid out earlier this year, our shareholders will be rewarded with a total distribution of about 2.6 Singapore cents per share.

PROPERTY BUSINESS

The Group's Property Business continues to be the main revenue driver as we recorded a 5.1% increase in revenue, from S$241.8 million in FY2013 to S$254.1 million in FY2014. The increase in revenue was contributed by the progressive recognition of sales from the Group's property development projects such as Waterfront@Faber, Urban Vista, The Hillford and 8 Bassein, coupled with the final recognition of sales from East Village and Cardiff Residence.

Net profit for the Property Business declined 38.2% from S$88.0 million in FY2013 to S$54.4 million in FY2014, largely due to lower margin of the sales, higher sales and marketing expenses for the property launches in 2014, exchange losses of S$9.0 million arising from the unfavourable exchange rate of Singapore dollar against the Australian dollar, and lower profits of associated companies.

Despite the soft residential property market in Singapore, the Group continued to record encouraging sales for all its projects. To date, the Group has achieved 100% sales for all its residential units in Urban Vista and Kensington Village which were launched in 2013, and The Hillford which was launched in January 2014 as Singapore's first retirement resort.

The Group has also achieved encouraging sales for its Waterfront@Faber and CityGate projects, which were launched in 2Q2014 and 3Q2014, respectively, projects which have since seen more than 50% of all combined units sold, demonstrating strong demand for the Group's quality projects.

Nanis Ipanema Collection by GOLDHEART

The table below provides a snapshot of the Group's ongoing projects:

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on units launched
Waterfront@Faber	Residential	210	3Q 2014	192	63%
CityGate*	Residential	311	3Q 2014	245	76%
CityGate*	Commercial	188	3Q 2014	156	50%
8 Bassein	Residential	74	2Q 2012	74	100%
Urban Vista*	Residential	582	1Q 2013	582	100%
Kensington Square*	Retail	57	3Q 2013	57	58%
Kensington Square*	Residential	141	3Q 2013	141	100%
The Hillford	Residential	281	3Q 2014	281	100%
The Hillford	Commercial	20	1Q 2014	20	85%

** Urban Vista, CityGate and Kensington Square are jointly developed with Fragrance Group Limited. Urban Vista and CityGate are 50% owned by a subsidiary of the Group.*

JEWELLERY BUSINESS

The Group has maintained efforts to streamline our Jewellery Business network with the closure of 12 retail stores. While our strategy of having multiple jewellery brands has enabled us to better encapsulate all market segments, our performances have yet to match up due to a weak retail spending environment and a dip in tourist arrivals.

With the closure of 12 retail stores, our Jewellery Business recorded revenue of S$151.6 million, a decline of 10.9% compared to S$170.1 million in FY2013. Despite the dip in revenue, our Jewellery Business recorded a higher net profit of S$5.7 million, a surge of 62.9% compared to S$3.5 million in FY2013. Today, the Group has a wide-ranging retail network of 57 retail jewellery stores distributed across Singapore.

FINANCIAL SERVICE BUSINESS

The Group's Maxi-Cash brand continues to lead the way in Singapore's pawnbroking industry, with our Financial Service Business delivering another good year of results through a network of 40 pawnshops and retail outlets located across Singapore.

While revenue dipped marginally by 3.1%, from S$113.1 million in FY2013 to S$109.6 million in FY2014 due to lower sales from the retail and trading of pre-owned jewellery and watches, the Group recorded a higher revenue from pawnbroking due to the higher interest income stemming from a record-sized pledge book.

The higher revenue from pawnbroking was insufficient to stem a 17.4% decline in net profit, from S$2.3 million in FY2013 to S$1.9 million in FY2014 due mainly to the rising costs and costs incurred by new outlets and losses from unredeemed pledges. Regardless, with the largest network of pawnshops in Singapore, Maxi-Cash is well placed to capitalise on its leadership position in the market as we seek new opportunities and await the recovery of retail spending.

Additionally, Maxi-Cash's retail and trading business attained the CaseTrust accreditation from the Consumer Association of Singapore ("CASE") in 2014, reaffirming the Group's commitment to fair trading and transparency to consumers. An online reservation service for pre-loved retail items such as jewellery and Rolex watches was also launched as a value-add service in the lead-up to 2014's year-end festive season.

In October 2014, Maxi-Cash pledged a contribution to the Getai Charity Concert where Geylang East Home for the Aged and Singapore Chung Hwa Medical Institution were beneficiaries. Since its inception, Maxi-Cash has been a strong believer in community engagement, having organised corporate citizenry initiatives around neighbourhoods and communities which it serves.

PROSPECTS FOR 2015

PROPERTY BUSINESS

According to the real estate statistics released by URA, prices of private residential properties continued to fall in 4Q 2014. It recorded the fifth straight quarter of price decline in 4Q 2014 with a further 1.1% decrease in private home prices. For 2014, prices decreased by 4.0% as compared with an increase of 1.1% in 2013.

The Group will continue to work on existing projects; having commenced construction works for all the projects launched to date except CityGate, and will be booking revenue and profit for the units sold progressively in accordance with the stage of completion from FY2015 to FY2019. In light of the soft property market in Singapore, the Group will switch its strategic focus to the overseas markets of Australia and Malaysia for 2015.

In November 2014, the Group launched its maiden overseas project, "Australia 108". The iconic 101-storey skyscraper is set to be the tallest building in Melbourne and the tallest residence in the Southern Hemisphere. Australia 108 has a total of 1,105 residential units. Since its launch, the Group has sold more than 90% of the residential units and has already locked in sales revenue of over A$800 million for the development.

In 2015, the Group will focus on the following projects:

Project / Tenure	Proposed Development	Location / Country	Land Area (Sq Ft)	Potential GFA (Sq Ft)	Group's Interest
A'Beckett Street (Freehold)	Residential & Commercial	Melbourne, Australia	14,000	400,000	100%
Albert Street (Freehold)	Residential & Commercial	Brisbane, Australia	21,500	950,000	100%
Margaret Street (Freehold)	Residential & Commercial	Brisbane, Australia	18,500	810,000	65%
Central Park (Freehold)	Residential & Commercial	Cairns, Australia	430,000	2,150,000	100%

The Group's property investment in King Street, Melbourne, has since been sold at A$52.5 million. Aspial acquired this property in January 2014 at A$41.5 million.

In Malaysia, the Group has also purchased or is in the process of purchasing land and properties costing about RM150 million for commercial and residential investment and development.

We believe that these overseas assets occupy strategic locations and present strong development potential, and the Group is optimistic that it will be able to leverage on its expertise to fully realise the potential of these assets. The Group is optimistic that the demand for its quality property development projects will allow substantial profits to be made on the back of healthy margins, both locally and overseas.

We believe that the total potential sales revenue from local and overseas projects is estimated to be in excess of S$2.8 billion, while we have already locked in total revenue of more than S$570 million for projects in Singapore, which will be progressively recognised in accordance with the stage of construction.

On 15 January 2015, the Group announced that it is proposing to undertake a spin-off of its property business in Australia and Malaysia to be listed on the Catalist board of the Singapore Exchange Securities Trading Limited. While there is no assurance that this spin-off will materialise in due course, we will provide you with further details and announce any material developments on this front when appropriate.

JEWELLERY BUSINESS

We expect market conditions to remain competitive in 2015, with economists believing that the economy will only grow at the lower end of government forecasts of between 2% – 4%.

Our strong brand equity and extensive network of our jewellery brands across Singapore put us in a strong position to better meet customers' varied preferences and retail price points. Looking ahead, we will continue to improve operational and store efficiency by constantly reviewing and consolidating our retail network. This will ensure our long term competitiveness, which will allow us to continue to deliver positive results.

FINANCIAL SERVICE BUSINESS

Though the Group is directly impacted by fluctuations in gold prices, we believe that we are an innovator in a recession-proof space, and through offering a contemporary, bank-like experience, our large retail network and pledge book will enable us to capture more market share and further cement our status as the leader in Singapore's pawnbroking industry.

The Group's branding efforts, coupled with its modern, professional and innovative business approaches are expected to continue to drive its growth in 2015.

LOOKING TO THE FUTURE

While we may have strong foundations in property development and are firmly entrenched in Singapore's retail network, it is only prudent for the Group to selectively search only for the best opportunities to expand both our property development and retail network portfolios.

The current market conditions remain challenging and we believe that only through the strong execution of projects on hand, will we continue to deliver good results to our shareholders.

2015 will be a challenge for the Group and I believe that we are on strong footing to emerge from it stronger, and better primed for the future.

In concluding, I would like to extend my gratitude and sincere appreciation to the Board, the management and staff of the Group for their commitment and dedication.

On behalf of the Board, I would also like to thank our valued customers, shareholders, and business partners for their support to the Group.

KOH WEE SENG
Chief Executive Officer

WATERFRONT@FABER
Artist's Impression

CITY GATE
Artist's Impression

PROPERTY BUSINESS

We had another challenging year in 2014 mainly due to protracted effect of the property cooling measures in Singapore. Buyers' sentiments remained weak throughout the year. Amidst a challenging market condition, we have launched four projects in Singapore and the sales of these projects are very encouraging.

Revenue from our Property Business grew by 5.1% from S$241.8 million in 2013 to S$254.1 million in 2014. The growth in revenue was contributed by the progress recognition of sales from Waterfront@Faber, Urban Vista, The Hillford and 8 Bassein and final recognition of sales from East Village and Cardiff Residence.

Our pre-tax profit was, however, declined by 37.8% to S$63.9 million mainly due to higher sales and marketing expenses and foreign exchanges losses. We incurred higher sales and marketing expenses for our property launches in 2014 which include The Hillford, Waterfront@Faber, CityGate and Australia 108. We had also recorded about S$9.0 million of exchange losses mainly due to unfavourable exchange rate of Singapore dollar against Australian dollar.

CITYGATE
Artist's Impression

Yoko London Blossom collection by LEE HWA

JEWELLERY BUSINESS

Retail environment continued to remain challenging in 2014 mainly due to declining tourist arrivals and consumer spending. Our ongoing consolidation of retail stores had resulted in a net reduction of twelve stores in 2014.

As our jewellery business was affected by the weak consumer spending, sales declined 10.9% year on year for 2014 as compared to previous year.

Despite the decline in revenue, we had recorded only a marginal decline in pre-tax profit from S$4.5 million in 2013 to S$4.3 million in 2014 as our operating costs such as staff cost, rental expense and depreciation had also declined in tandem with the smaller retail network.

(Anti-clockwise from top)
Natural Pink Diamond collection by LEE HWA
Noble Diamond for Forevermark by LEE HWA
Queen of Magnificence collection by CITIGEMS
Celestial collection by GOLDHEART

FINANCIAL SERVICE BUSINESS

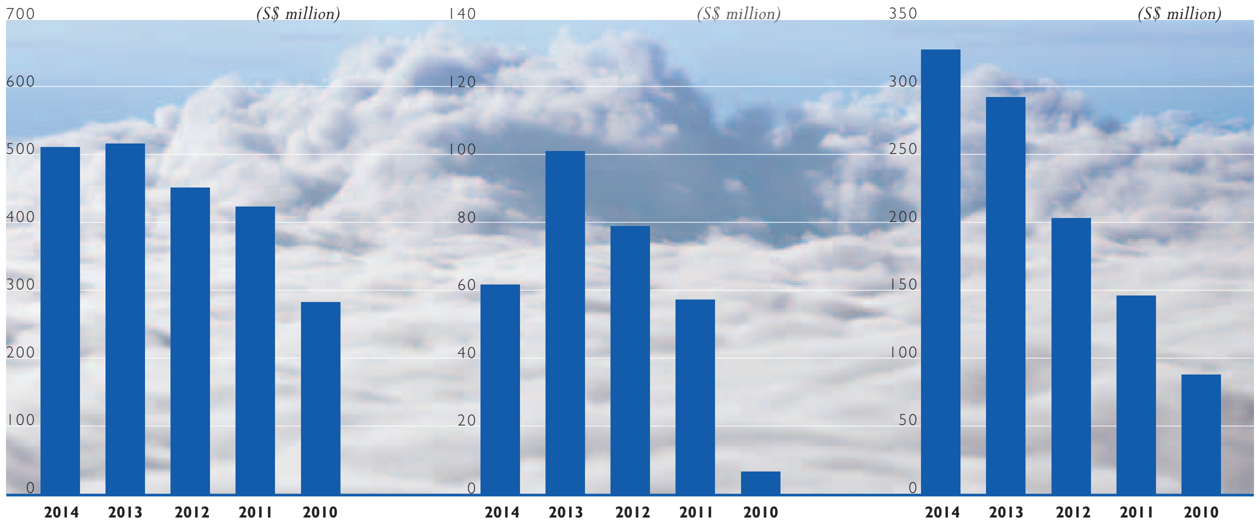
Our Financial Service Business continued to expand in 2014 by adding another 7 new shops. Being the largest network of pawnshops in Singapore, we have a total of 39 pawnshops most of which are strategically located near bus interchanges and MRT stations.

Our revenue of S\$109.6 million for 2014 was marginally lower by S\$3.5 million as compared to 2013. Although our pawnbroking business continued to record higher interest income from its growing pledge book, sales from the retail and trading of pre-owned jewellery and watches declined 5.1% in 2014.

Our Financial Service Business recorded a pre-tax profit of S\$1.8 million in 2014 as compared to S\$2.1 million in 2013. The lower pre-tax profit was mainly due to higher operating expenses such as rental and staff costs as we opened 7 new shops in 2014.

MAXI-CASH

TOTAL TURNOVER **PROFIT BEFORE TAX** **NET ASSET VALUE**



GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS

(S$)	*2014 ('000)*	*2013 ('000)*	*2012 ('000)*	*2011 ('000)*	*2010 ('000)*
Total Turnover	510,061	515,262	451,941	420,324	280,258
Profit Before Tax	61,669	100,996	79,042	57,228	6,662
Profit After Tax	53,631	85,466	66,303	47,618	5,595
Paid-up Capital	202,179	152,611	76,801	42,721	28,141
Capital and Reserves	369,745	330,281	231,703	155,807	98,458
Net Asset Value	325,358	292,509	203,346	146,263	89,699
Earnings Per Share (cents)	2.41	4.08	3.71	3.15	1.08

Purple Gold™ Verina Collection by Lee Hwa

Koh Wee Seng is our CEO and is responsible for the strategic planning, overall management and business development of the Group. Since late 1994, when the new management led by him took over the reins, the Group has overcome the challenges posed by changing consumer demand by implementing wide ranging and fundamental changes in its jewellery business. Mr Koh has also successfully led the Group's diversification into the property business and financial service business. Mr Koh holds a Bachelor degree in Business Administration from the National University of Singapore.

Ko Lee Meng is our Executive Director. Ms Ko has accumulated more than 30 years of experience in the jewellery industry and has been with the Group since 1983. Ms Ko is currently heading the Group's retail merchandising and manufacturing departments where she oversees the management, manufacturing, replenishment and distribution of merchandise to the various retail stores and ensures the Group and its team of designers are kept up to date with the latest jewellery trend and designs. Ms Ko holds a Bachelor degree in Arts from the National University of Singapore.

Koh Lee Hwee is our Non-Executive Director. Ms Koh was also the CEO for our subsidiary Maxi-Cash Financial Services Corporation Limited ("Maxi-Cash") which is listed on Catalist of SGX. Ms Koh stepped down from the position on 5 January 2015 and remains as the Executive Director of Maxi-Cash. Prior to her appointment as the CEO of Maxi-Cash, Ms Koh was the vice president (manufacturing) of the Group, where she oversaw and spearheaded the growth of our manufacturing division and was responsible for the overall production plans, technology, management and development. Ms Koh has more than 20 years of experience in the jewellery industry. Ms Koh holds a Bachelor degree in Arts from the National University of Singapore.

Wong Soon Yum is our Independent Director. Mr Wong is the Chairman of our Audit Committee. Mr Wong started his career in the banking industry in 1971 with Chase Manhattan Bank, N.A. and retired from his position as a Senior Vice President of Oversea-Chinese Banking Corporation Limited in late 1998. Mr Wong holds a Professional Diploma in Accountancy from Singapore Polytechnic Management Programme, Stanford-National University of Singapore

Kau Jee Chu is our Independent Director. Mr Kau is the Chairman of our Nominating Committee. Mr Kau is a former Chief Executive Officer of Overseas Union Trust Limited and has also held various senior positions, including General Manager of Singapura Building Society Ltd, Chairman of OUB Securities Pte Ltd and Chairman of Finance House Association of Singapore. Mr Kau graduated from the National University of Singapore with a Bachelor in Accountancy.

Ng Bie Tjin @ Djuniarti Intan is our Independent Director. Ms Ng is the Chairman of our Remuneration Committee. Ms Ng is a former finance director of Datapulse Technology Limited (a company listed on the mainboard of the SGX-ST). Ms Ng holds a Master in Business Administration from University of Sourthen California.

Le Pure Platinum Collection by GOLDHEART

DIRECTORS
Koh Wee Seng
Chief Executive Officer
Ko Lee Meng
Koh Lee Hwee
Wong Soon Yum
Kau Jee Chu
Ng Bie Tjin @ Djuniarti Intan

AUDIT COMMITTEE
Wong Soon Yum
Chairman
Kau Jee Chu
Koh Lee Hwee
Ng Bie Tjin @ Djuniarti Intan

COMPANY SECRETARY
Lim Swee Ann Felix
CPA, ACIS

REGISTERED OFFICE
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

SHARE REGISTRAR
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

PRINCIPAL BANKERS
United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd.
Hong Leong Finance Limited
The Hongkong and Shanghai Banking Corporation Limited
Malayan Banking Berhad
CIMB Bank Berhad
RHB Bank Singapore
National Australia Bank

AUDITOR
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner in charge:
Tan Peck Yen
(Chartered Accountant,
a member of the Institute of Singapore Chartered Accountants)
(Since the financial year ended 31 December 2011)

Ng Sheng Tiong, David is our Group's Vice President. Mr Ng is currently heading the Group's property business, where he oversees the strategic planning, overall management and business development of our property business. He has more than six years experience in the property industry. Before heading the property business, he was the Group's IT Director. He holds a Master of Business in Information Technology from Royal Melbourne Institute of Technology.

Lim Swee Ann, Felix currently serves as the Chief Finance Officer of our Group. Before joining the Group, he worked for two listed companies, one each in Singapore and Malaysia. He has more than 20 years of experience working in the finance organisation of various industries including ship building, manufacturing, retail and property development. He holds a Bachelor degree in Commerce and Administration from Victoria University of Wellington in New Zealand and a Master of Business from Victoria University of Technology (Australia). He is a member of CPA Australia and a member of The Singapore Association of the Institute of Chartered Secretaries and Administrators.

Koh Teck Hoe, Steven is our Group's Senior Director for Retail Operations and Head of one of our main Jewellery brands – CITIGEMS. His primary responsibility is to strategise and plan to spearhead the growth and in managing the Group's jewellery retail chain business operations and manpower both in Singapore and Vietnam. This also include managing the Group's retail training department, logistics and administration, renovations and customer care call centre. He is also responsible for leading the CITIGEMS team to develop and execute CITIGEMS brand strategies in line with overall business plans. He has more than 24 years of experience in retail operations management with 14 years being in the jewellery industry. Before joining the Group, he was in both the food & beverage and retail operations management.

Tan Chiew Hoon, Theresa is currently our Group's Corporate Human Resource Director and manages all aspects of the human resource function. She is responsible for developing, managing and administering human resource strategies and initiatives in support of business imperatives and operations of the Group. She joined us in 1999 as an Assistant Human Resource Manager and has since grown and progressed with our Group to her current employment status. She has more than 14 years experience in the jewellery industry. She holds a Bachelor degree of Arts from The National University of Singapore and Master of Human Resource Management from Rutgers, The State University of New Jersey. Since her graduation, she has anchored her career in the human resource profession and assumed numerous human resource roles and function in the construction, retail as well as information technology industry.

CORPORATE GOVERNANCE REPORT

Aspial Corporation Limited (the "Company") is committed in maintaining a high standard of corporate governance with specific reference made to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "Code").

The Board of Directors (the "Board" or the "Directors") is pleased to report the Company's compliance with the Code except where otherwise explained. In areas where we have not complied with the Code, the Company will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS

Principle 1: The Board's Conduct Of Affairs

The Board directs and leads the Company and is responsible for the protection and enhancement of long-term value and returns for the shareholders. The Board works with the Company's senior management (the "Management") to achieve success for the Company and its subsidiaries (the "Group").

In addition to its statutory duties, the Board's role is to:
- provide entrepreneurial leadership, set strategic directions, and ensure the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enable risks to be assessed and managed;
- review management performance; and
- set the Group's corporate values and standards which include ethical standards and ensure that obligations to shareholders and others are understood and met.

The Company has adopted internal guidelines setting forth matters that require the Board's approval. The types of material transactions that require the Board's approval under such guidelines are as follows:
- approval of quarterly results announcements;
- approval of annual results and accounts;
- declaration of interim dividends and proposal for final dividends;
- convening of shareholders' meetings;
- authorisation of merger and acquisition transactions; and
- authorisation of major transactions.

BOARD MATTERS *(continued)*

Principle 1: The Board's Conduct Of Affairs *(continued)*

In the Company's circular to shareholders dated 29 August 2001 (the "Circular") which approval was sought for the Company's then-proposed diversification (the "Diversification") into property investment and development business (the "Property Business"), it was disclosed in Section 7 of the Circular that the Company sought to institute certain operating guidelines for the management of the new business and to minimise any potential conflict of interest (the "Operating Guidelines"). The Operating Guidelines, which were adopted by the Company following the approval of the Diversification, included certain operating limits which the Group may participate in the Property Business, certain undertakings provided by Mr James Koh Wee Meng (being the sibling of our existing Directors, Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee (collectively, the "Relevant Directors")) relating to restrictions on his personal property activities at that point of time which shall be valid only for as long as he is an employee of the Group, as well as certain undertakings from four individuals who were Directors of the Company at that time (the "Undertakings"). The individuals who provided the Undertakings include the Relevant Directors and Madam Tan Su Lan ("Mdm Tan"), who ceased to be a Director of the Company in 2011. The Relevant Directors and Mdm Tan had undertaken in the Undertakings that, for so long as they are Executive Directors of the Company, save for their respective interests in the Group or any other publicly listed property investment and development company in which each of them holds a less than 5% interest, they would not be directly or indirectly interested in any business in Singapore which is engaged in property investment and development. As Mdm Tan is no longer a Director of the Company, her Undertaking is no longer applicable to her.

In 2014, the Board undertook a review of the Group's procedures in relation to conflict of interests, including the Operating Guidelines. Having considered the changes in circumstances since 2001, including how the Property Business has grown to be one of the core businesses of the Group, that Mr James Koh Wee Meng is no longer an employee of the Group and he is currently the Executive Chairman of Fragrance Group Limited, a company separately listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), various other factors which existed in 2001 but which were no longer relevant and the current market practices of similar listed companies, the Board resolved that the Relevant Directors could purchase any property for investment and invest in any property companies so long as they are not the directors or employees of the property companies; and for property development, the Relevant Directors are allowed to develop properties for their personal use. However, the Relevant Directors must seek approval from the Audit Committee ("AC") for any property development which are not meant for personal use, save for the Relevant Directors' shareholdings in World Class Land Pte Ltd and approved joint venture companies. These revised guidelines applicable to the Relevant Directors supersede the Operating Guidelines in its entirety.

The Board has, without abdicating its responsibility, delegated certain matters to specialised committees of the Board. The committees include the AC, the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees"). The Board Committees assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. The Board Committees function within clearly defined terms of reference and operating procedures. The effectiveness of the Board is also reviewed by the Board on an annual basis.

BOARD MATTERS *(continued)*

Principle 1: The Board's Conduct Of Affairs *(continued)*

For the financial year ended 31 December 2014 ("FY2014"), the Board has met on a quarterly basis and as warranted. Ad hoc meetings are also convened to discuss and deliberate on urgent substantive matters. The Company's Articles of Association provide for the Board to convene meetings via telephone conferencing and electronic means.

The Board met six times in FY2014. The details of the number of the Board and Board Committee's meetings held in the calendar year and the attendance of each Director at those meetings are disclosed below:

Name of Directors	*Board*		*Audit Committee*	
	No. of meeting held	*No. of meeting attended*	*No. of meeting held*	*No. of meeting attended*
Koh Wee Seng	6	6	-	-
Koh Lee Hwee	6	6	4	3
Ko Lee Meng	6	5	-	-
Wong Soon Yum	6	6	4	4
Kau Jee Chu	6	6	4	4
Ng Bie Tjin @ Djuniarti Intan	6	6	4	4

Notes:
(1) Ms Ng Bie Tjin @ Djuniarti Intan was appointed on 20 January 2014.
(2) The NC and RC were constituted with effect from 24 March 2014 and the first meeting of the respective Committees was held on 16 February 2015.

Executive Directors shall conduct orientation programme for newly appointed Directors to familiarise them with the Group's businesses, operations, financial performance and key management personnel of the Group. Familiarisation visits would be organised, if necessary, to facilitate a better understanding of the Group's business operations. In January 2014, the newly appointed Director, Ms Ng Bie Tjin @ Djuniarti Intan was briefed on the Group's operations and business strategies.

Directors are encouraged to attend any relevant courses conducted by the SGX-ST, business and financial institutions to keep themselves updated on the latest changes and developments concerning the Group and to keep abreast of the latest regulatory changes. Directors will also receive regular updates on changes in the relevant laws and regulations, changing commercial risks and business conditions to enable them to make well-informed decisions.

BOARD MATTERS *(continued)*

Principle 2: Board Composition And Guidance

Board Independence

The Board exercises objective judgement on the corporate affairs of the Group independently from Management and 10% shareholders. No individual or a small group of individuals dominate the decisions of the Board.

As at the date of this report, the Board comprises two (2) Executive Directors, one (1) Non-Executive and Non-Independent Director and three (3) Independent Non-Executive Directors. No Alternate Director is appointed. The Independent Non-Executive Directors make up half of the Board and this composition complies with the Code's requirement whereby the Chairman is part of Management team.

The Board considers a Director as "independent" Director if the Director has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Group.

The independence of each Director is reviewed annually by the NC, which was formed on 24 March 2014. The NC adopts the Code's definition of what constitutes an Independent Director in its review. The NC has reviewed and determined that Mr Kau Jee Chu, Mr Wong Soon Yum and Ms Ng Bie Tjin @ Djuniarti Intan are independent. After taking into account the views of the NC, the Board has determined that the Directors concerned remain independent of character and judgement and there were no relationships or circumstances which were likely to affect, or could appear to affect, the Directors' judgement.

In respect of the two Independent Non-Executive Directors, namely, Mr Wong Soon Yum and Mr Kau Jee Chu who have served as Board members for more than nine (9) years, the NC has considered their length of service and their continued independence. The independence of character and judgement of both Directors were not in any way affected or impaired by the length of their service. The NC has also conducted a review on the performance of each of the two Independent Directors and considers that each of these Directors brings invaluable expertise, experience and knowledge to the Board and that they continue to contribute to the Board. The Board concurred with the views of the NC and is satisfied with the performance and continued independence of judgement of the two Independent Non-Executive Directors.

The Board does not consider it to be in the interests of the Company and shareholders to require all Directors who have served for nine (9) years or longer to retire. The Board is of the view that the continuity and stability of the Board provide effective decision making.

BOARD MATTERS *(continued)*

Principle 2: Board Composition And Guidance *(continued)*

Board Composition and Size

The Directors consider the Board's present size of six (6) members and composition appropriate to facilitate effective decision making, taking into account the nature and scope of the Group's operations, the wide spectrum of skills and knowledge of the Directors.

The Independent Non-Executive Directors participate actively in the Board meetings. Their professional expertise and competency in their respective fields in banking, finance and accounting provide constructive advice and guidance for effective discharge by the Board of the Group's strategies and business affairs.

Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of Management. The Company would make available its premises for use by the Non-Executive Directors to meet without the presence of Management.

Principle 3: Chairman And Chief Executive Officer

The Company currently does not have a Chairman to preside over the Board. All Board meetings are usually chaired by the Company's Chief Executive Officer ("CEO"), Mr Koh Wee Seng. The Board is of the opinion that the process of decision making by the Board has been independent and had been based on collective decisions without any individual exercising any considerable concentration of power or influence. All Directors would ensure that they have collectively taken decisions in the interests of the Company.

As Chairman of the meeting, Mr Koh is responsible for:
- leading the Board to ensure its effectiveness;
- setting agenda for Board meetings and to ensure adequate time for discussion;
- promoting openness and discussion during the Board meetings;
- ensuring that Directors receive complete, adequate and timely information;
- ensuring effective communication with the shareholders;
- encouraging constructive relations within the Board and between Board and Management;
- facilitating effective contributions of Non-Executive Directors; and
- promoting high standards of corporate governance.

BOARD MATTERS *(continued)*

Principle 3: Chairman And Chief Executive Officer *(continued)*

The Board has appointed Independent Non-Executive Director, Mr Wong Soon Yum, as the Lead Independent Director. The Lead Independent Director would be available to shareholders where they have concerns and for which contact through the normal channels of the CEO or the Chief Finance Officer ("CFO") has failed to resolve or is inappropriate.

Where necessary, the Lead Independent Director shall lead the meetings among the Independent Non-Executive Directors without the presence of other Directors. The Lead Independent Director shall provide feedback to the Chairman after such meetings.

Principle 4: Board Membership
Principle 5: Board Performance

Nominating Committee

The Chairman of the NC, Mr Kau Jee Chu, is an Independent Non-Executive Director who is neither a substantial shareholder nor directly associated with a substantial shareholder. The majority of the NC members are Independent Non-Executive Directors. The NC comprises the following members:

Kau Jee Chu	(Chairman)
Wong Soon Yum	(Member)
Ng Bie Tjin @ Djuniarti Intan	(Member)
Koh Wee Seng	(Member)

The NC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:
- reviewing and recommending to the Board on all Board appointments, including the nomination or re-nomination of the Directors having regard to the Directors' contribution and performance;
- developing a process for selection, appointment and re-appointment of Directors to the Board;
- reviewing orientation programs for new Directors and training and professional development programs for the continuing training of the Directors;
- determining on an annual basis whether or not a Director is independent bearing in mind the salient factors set out in the Code;
- deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards;
- assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board; and

BOARD MATTERS *(continued)*

Principle 4: Board Membership *(continued)*
Principle 5: Board Performance *(continued)*

Nominating Committee *(continued)*

- reviewing the size and composition of the Board with the objective of achieving a balanced Board in terms of the mix of experience and expertise and make recommendations to the Board with regard to any changes.

In its selection of new Directors, the NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness. Potential candidates are identified from various sources. The Board conducts an initial assessment to review the candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidate's independence, expertise, background and right skills will be considered before the Board makes its final decision on the appointment. For re-appointment of Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour).

The NC determines the criteria on which Board performance is to be evaluated and, subject to the approval of the Board, proposes objective performance criteria which address how the Board has enhanced long-term shareholders' value. The NC will continue to review formal assessment processes for evaluating Board performance, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

For FY2014, the Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board Performance Evaluation checklist which covers several parameters such as Board composition, conduct of meetings, Board process, Board accountability, risk management, measuring and monitoring performance as well as communication with shareholders. The assessment results are presented to the Board by the NC and follow-up action are taken to address any areas for improvement.

As the ability to commit time and attention to the Group's affairs is essential for the individual Director's contribution and performance, the Board has considered the number of listed directorship each of its Directors can hold. As a guide, Directors should not have more than five (5) listed company board representations. The NC has reviewed and is satisfied that in FY2014, where Directors had other listed company board representations, the Directors have been able to devote sufficient time and attention to the affairs of the Company to adequately carry out their duties as Directors of the Company.

BOARD MATTERS *(continued)*

Principle 4: Board Membership *(continued)*
Principle 5: Board Performance *(continued)*

Nominating Committee *(continued)*

The Company's Articles of Association requires at least one-third of the Directors (apart from Managing Director) to retire by rotation and subject to re-election at every Annual General Meeting ("AGM") of the Company. The Board has nominated Ms Ko Lee Meng, who is retiring pursuant to Article 104 of the Company's Articles of Association, for re-election as a Director at the forthcoming AGM. Ms Ko, being eligible for re-election, has offered herself for re-election.

The Board has also nominated Mr Kau Jee Chu and Mr Wong Soon Yum, who are above 70 years old, and will be retiring pursuant to Section 153(6) of the Companies Act, Chapter 50 to be re-appointed as Directors at the forthcoming AGM of the Company. Mr Kau and Mr Wong, being eligible for re-election, have offered themselves for re-appointment.

Principle 6: Access To Information

To enable the Board to fulfill its responsibilities, Management provides the Board with management reports on a regular and timely basis, with relevant and adequate information prior to the Board meetings. The Board also has separate and independent access to the Company Secretary and the Company's Management.

The Company Secretary attends all Board meetings and ensures that Board procedures are followed. The Company Secretary also ensures that the requirements under the Companies Act, Chapter 50 and all other regulations of the SGX-ST are complied with.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

Subject to the approval of the CEO, the Directors may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

REMUNERATION MATTERS

Principle 7: Procedures For Developing Remuneration Policies
Principle 8: Level And Mix Of Remuneration
Principle 9: Disclosure On Remuneration

Remuneration Committee

The Chairman of the RC, Ms Ng Bie Tjin @ Djuniarti Intan, is an Independent Non-Executive Director. The majority of the RC members are Independent Non-Executive Directors. The RC comprises the following members:

Ng Bie Tjin @ Djuniarti Intan	(Chairman)
Wong Soon Yum	(Member)
Kau Jee Chu	(Member)
Koh Lee Hwee	(Member)

The RC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each of the Directors, key management personnel and any other employees who are related to the Executive Directors and controlling shareholders of the Group;
- reviewing and administering the award of shares to Directors and employees under the Aspial Share Award Scheme adopted by the Company; and
- reviewing all matters relating to remuneration of the Board and key management personnel.

The RC ensures that a formal and transparent procedure is in place for determining the remuneration packages of individual Directors and key management personnel. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. None of the members of the RC or any Directors is involved in deciding his/her own remuneration package.

The remuneration of employees related to Executive Directors and controlling shareholders of the Group will be reviewed annually by the RC to ensure that their remuneration packages are in line with the employee remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he/she will abstain from participating in the review.

REMUNERATION MATTERS *(continued)*

Principle 7: Procedures For Developing Remuneration Policies *(continued)*
Principle 8: Level And Mix Of Remuneration *(continued)*
Principle 9: Disclosure On Remuneration *(continued)*

Remuneration Committee *(continued)*

While none of the RC members specialises in the field of executive remuneration, they do possess general knowledge in this area. The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants.

The Company's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise.

The remuneration package of the Executive Directors and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. The performance-related component of the remuneration package is designed to align the interests of the Executive Directors with those of the shareholders and link rewards to the Group's financial performance. Service agreements for Executive Directors are for a fixed appointment period and do not contain onerous removal clauses. The RC reviews the fairness and reasonableness of termination clauses of the service agreements of the Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

The Non-Executive Directors do not have service agreements with the Company. They are paid fixed Directors' fees appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities on the Board and the Board Committees. The Independent Non-Executive Directors have not been over-compensated to the extent that their independence is compromised. The fees to Independent Non-Executive Directors are subject to shareholders' approval at the AGMs.

REMUNERATION MATTERS *(continued)*

Principle 7: Procedures For Developing Remuneration Policies *(continued)*
Principle 8: Level And Mix Of Remuneration *(continued)*
Principle 9: Disclosure On Remuneration *(continued)*

Breakdown of Remuneration of Each Director by Percentage

	Year 2014				
	Director	*Salary (including CPF) %*	*Bonus, profit sharing %*	*Fee %*	*Other Benefits %*
S$2,500,000 to below S$2,750,000	Koh Wee Seng	9.08	90.11	0.81	-
S$250,000 to below S$500,000	Ko Lee Meng	46.08	49.56	4.36	-
Below S$250,000	Wong Soon Yum	-	-	100.00	-
	Kau Jee Chu	-	-	100.00	-
	Koh Lee Hwee	-	-	100.00	-
	Ng Bie Tjin @ Djuniarti Intan	-	-	100.00	-

The Board has reviewed the disclosure of the remuneration of the Directors and key management personnel (who are not Directors or the CEO) and has decided not to disclose the name and remuneration details of the key management personnel and remuneration of the Directors as the Board believes that the disclosure may be prejudicial to its businesses given the competitive business environment and the disadvantages such as staff retention issues that it may bring.

Remuneration of Top Eight (8) Key Management Personnel (who are not Directors or the CEO)

The remuneration of the top eight (8) key management personnel comprises of fixed and variable component. Fixed component is in the form of fixed monthly salary whereas variable component is linked to the performance of the Group's businesses and individual performance.

The remuneration for FY2014 of the top eight (8) key management personnel are as follows:-

S$2,250,000 to below S$2,500,000	:	1
S$250,000 to below S$500,000	:	4
Below S$250,000	:	3

The total remuneration paid to the above eight (8) key management personnel was S$4,395,400 for FY2014.

REMUNERATION MATTERS *(continued)*

Principle 7: Procedures For Developing Remuneration Policies *(continued)*
Principle 8: Level And Mix Of Remuneration *(continued)*
Principle 9: Disclosure On Remuneration *(continued)*

Remuneration of Employees who are Immediate Family Members of a Director or the CEO

For FY2014, the remuneration of the employee who is an immediate family member of a Director or the CEO whose remuneration exceeds S$50,000 during the year is as follows:

S$2,250,000 to S$2,500,000 : Mr Ng Sheng Tiong (Spouse of Ms Koh Lee Hwee)

SHARE-BASED INCENTIVE PLAN

The Aspial Share Award Scheme ("Share Award") was approved by shareholders on 15 December 2006. As the Company has now established a RC, the RC will be designated as the Scheme Committee and its members are as follows:

Ng Bie Tjin @ Djuniarti Intan	(Chairman)
Wong Soon Yum	(Member)
Kau Jee Chu	(Member)
Koh Lee Hwee	(Member)

The objectives of the Share Award are to give recognition to employees for their past contributions and services and to motivate them to contribute towards the Group's long-term growth and prosperity. Participation in the Share Award is open to the Non-Executive Directors of the Company and any awards that may be granted to any such Non-Executive Directors would be intended only as a token of the Company's appreciation.

During the financial year, performance share awards granted were based on the terms of the Share Award. A total of 1,411,000 shares were granted to its employees under the Share Award. No awards were granted to the Directors of the Group.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Company prepares its financial statements in accordance with Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. In presenting the annual financial statements and announcements of financial results, the Board ensures it has taken adequate steps to ensure compliance with the legislative and regulatory requirements including SGX-ST Listing Manual. The Board also aims to provide shareholders with a balanced and understandable assessment of the Group's performance, financial position and prospect.

Management provides the Board with appropriate detailed management accounts of the Group's performance, position and prospect on a regular basis. The Board will update the shareholders on the financial positions and operations of the Company and the Group through quarterly and full year announcements as well as timely announcement of other matters required by the relevant rules and regulations.

Principle 11: Risk Management And Internal Controls

The Audit Steering Committee acts as the primary reporting line to the Internal Audit Function, which reviews and endorses the Internal Audit Plans and Internal Audit Reports. The Internal Audit Function performs risk assessment and conducts the review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Steering Committee and the AC respectively.

The internal controls in place maintained by the Company's Management throughout the year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Company's internal control systems serve as the key in identifying and managing risks that are significant to the achievement of its business objectives. The risks are proactively identified and addressed. The ownership of these risks lies with the respective business and function heads with stewardship residing with the Board. The process of risk management has been integrated into the Group's business planning and monitoring process.

The Company regularly reviews the Group's business and operational activities to identify areas of significant business risks. Appropriate measures are taken to assess, control and mitigate these risks.

ACCOUNTABILITY AND AUDIT *(continued)*

Principle 11: Risk Management And Internal Controls *(continued)*

Based on the internal controls established and maintained by the Group, work performed by the Internal and External Auditors and reviews performed by Management, the various Board Committees and the Board, the Board, with the concurrence of the AC is of the opinion that the Group's internal controls addressing the financial, operational, compliance risks, information technology controls and risk management systems are adequate and effective to meet the needs of the Group for the type and volume of businesses conducted in the current business environment. The Company has complied with Rule 1207(10) of the SGX-ST Listing Manual.

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

(a) The financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) They have evaluated the effectiveness of the Group's risk management and internal controls and assessed the internal and external auditors' reports on the Group's operations and financial statements and note that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise or report financial information. The Group's risk management and internal controls are in place and effective.

The CEO and the CFO have obtained similar assurance from the business and function heads in the Group.

Principle 12: Audit Committee

The AC comprises four (4) members, three of whom are Independent Non-Executive Directors who have accounting related or financial management experience and one Non-Executive Director. The AC is chaired by an Independent Non-Executive Director. No former partner or Director of the Company's existing audit firm is a member of the AC. The members of the AC are:

Wong Soon Yum	(Chairman)
Kau Jee Chu	(Member)
Ng Bie Tjin @ Djuniarti Intan	(Member)
Koh Lee Hwee	(Member)

ACCOUNTABILITY AND AUDIT *(continued)*

Principle 12: Audit Committee *(continued)*

The AC met on a quarterly basis during the year. The AC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:
- reviewing with the External Auditors the audit plan and their evaluation of the system of internal accounting controls and monitor Management's response and actions to correct noted deficiencies;
- reviewing with the Internal Auditors, the scope and results of the internal audit and monitor Management's response to their findings to ensure that appropriate follow-up measures are taken;
- evaluating the effectiveness of both the internal and external audit efforts through regular meetings;
- determining that no unwarranted management restrictions are being placed upon to either the Internal or External Auditors;
- ensuring that the Internal Audit Function is adequately staffed and well qualified;
- reviewing the quarterly and full year financial statements before submission to the Board particularly in relation to changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, compliance with the SGX-ST Listing Manual and statutory/regulatory requirements;
- reviewing the interested person transactions;
- evaluating the independence of the External Auditors annually and nominating them for re-appointment; and
- reviewing the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors.

The AC has been given full access to Management and has reasonable resources to enable it to discharge its function properly. The AC has full discretion to invite any Director or executive officer to attend its meetings. The AC has full access to the External Auditors and has met with them at least once during the calendar year without the presence of Management.

The AC has reviewed all the non-audit services provided by the External Auditors, namely tax services and enterprise risk management services, and is satisfied that the provision of such services did not affect their independence. Save for the fees paid for tax and enterprise risk management services, no other non-audit fees were paid.

The AC will undertake a review of the scope of services provided by the External Auditors, the independence and the objectivity of the External Auditors on annual basis. Messrs Ernst & Young LLP, the External Auditors of the Company, has confirmed that they are a Public Accounting Firm registered with Accounting and Corporate Regulatory Authority and provided a confirmation of their independence to the AC. The AC had assessed the External Auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, given the size and complexity of the Group.

ACCOUNTABILITY AND AUDIT *(continued)*

Principle 12: Audit Committee *(continued)*

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual.

The AC has recommended that Messrs Ernst & Young LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM. A breakdown of the audit and non-audit fees paid to the External Auditors can be found on page 102 of this Annual Report.

The Company has put in place a whistle blowing policy, endorsed by the AC where employees of the Company may in confidence, raise concerns about the wrongdoing or malpractice within the Group and ensure arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. All concerns would be kept confidential. There have been no incidents pertaining to whistle blowing for FY2014.

Any changes to accounting standards and issues which have a direct impact on the financial statements would be raised by the External Auditors, keeping the AC members abreast of such changes.

Principle 13: Internal Audit

The Company has established an in-house Internal Audit Department which performs financial audits, implements operational and compliance controls, oversees risk management and audits of other management processes. The Internal Auditors report findings and recommendations to the Chairman of the AC and administratively to the CEO.

The Internal Audit Function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Board, the AC and the Audit Steering Committee are of the opinion that the Internal Audit Function is sufficiently resourced. Internal audits are performed by competent professional staff with relevant qualifications and experience. In order that their technical knowledge remains current and relevant, the Company identifies and provides training and development opportunities to the staff.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights
Principle 15: Communication With Shareholders

The Board is mindful of the obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while Management is accountable to the Board. The Board provides shareholders with an assessment of the Company's performance, position and prospects on a quarterly basis via quarterly announcements of results and other ad-hoc announcements as required by the SGX-ST.

Results and other material information are released through SGXNET on a timely basis for the dissemination to shareholders and public in accordance with the requirements of the SGX-ST.

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. Shareholders of the Company are informed of shareholders' meetings through notices published in the newspaper and reports or circulars sent to all shareholders. At the shareholders' meetings, shareholders are given the opportunity to express their views and ask Directors or Management questions regarding the Company. The External Auditors are also present to address the shareholders' queries about the conduct of the audit and the preparation and content of auditors' report.

According to the Company's Articles of Association, at any general meeting, a resolution put to the vote in the meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of the show of hands) demanded. The shareholders would be informed of the voting procedures at the commencement of the general meeting.

The Company distributes interim and final dividends and details of such dividend payments would be disclosed via the release of financial results.

Principle 16: Conduct Of Shareholder Meetings

All shareholders receive reports or circulars of the Company which include notice of general meeting by post within the mandatory period. Notice of general meeting is released through SGXNET and published in the Business Times within the same period.

The public can provide feedback to the Company Secretary via the electronic mail address or registered address.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES *(continued)*

Principle 16: Conduct Of Shareholder Meetings *(continued)*

All registered shareholders are encouraged to participate during the general meeting. The Company's Articles of Association allows a member of the Company to appoint not more than two proxies to attend and vote in his/her stead at all general meetings. Matters which require shareholders' approval were presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings on each substantially separate issue. Each item of special business in the notice of general meeting is accompanied by an explanatory note, where appropriate. Proxy form is also sent with the notice of general meeting to all shareholders.

All Directors, Management, Company Secretary, External Auditors and Legal Advisors (if necessary) attend the general meetings. The procedures of the general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Shareholders are encouraged to provide their views on matters relating to the Company.

The Company Secretary prepares minutes of the general meetings which include substantial and relevant comments or queries from shareholders relating to the agendas of the meetings, and responses from the Board and Management, and to record these minutes. These minutes are subsequently approved by the Board and make available to shareholders during office hours at the registered office upon their written request.

Until such time when it is mandatory under the SGX-ST Listing Manual to vote by poll, voting at general meetings will be by show of hands unless a poll is demanded. Voting on show of hands enables the Company and shareholders to deal with the business of the AGM expeditiously as the result of the votes is instantly available. The Board will adhere to the requirement of the SGX-ST Listing Manual where all resolutions are to be voted by poll for general meetings held on or after 1 August 2015. The results of the general meetings are released to SGXNET on the same day.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

DEALING IN SECURITIES

The Company has adopted a Code of Compliance to provide to the Directors and all employees of the Group with regard to dealing in the Company's securities pursuant to Rule 1207(19) of the SGX-ST Listing Manual. During the financial year, the Company issues quarterly circular to its Directors, officers and employees prohibiting dealing in its shares from one month before the announcement of the Company's quarterly and full year financial results. Directors and employees are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group at all times. In addition, the Company discourages the Directors and officers from dealing in the Company's securities on short term considerations. The Group confirmed that it adhered to its Securities Code for FY2014.

The guidelines on share purchase mandate under the Share Purchases Mandate, to be renewed at the Company's forthcoming AGM also provides that the Company will not repurchase any shares during the period commencing two weeks before the announcement of the Company's quarterly results for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements and ending on the date of the announcement of the relevant results.

INTERESTED PERSON TRANSACTION

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are subject to review by the AC when a potential conflict of interest arises and the Director concerned does not participate in discussions and refrained from exercising any influence over other members of the Board.

The aggregate value of interested person transactions above S$100,000 entered into during the financial year under review is as follows:

Name of interested person	*Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)*
Rental	
- 8G Investment Pte Ltd	S$372,000
Sales of properties	
Singapore	
- 8G Investment Pte Ltd	S$1,551,000
Overseas	
- 8G Investment Pte Ltd	S$3,451,000
- Koh Lee Hwee/ Ng Sheng Tiong	S$3,831,000
- Ko Lee Meng	S$2,180,000

The Company does not have a general mandate from shareholders for interested person transactions.

MATERIAL CONTRACTS

Saved as disclosed above in the section entitled "Interested Person Transaction" and in the financial statements, there were no material contracts of the Group involving the interest of the CEO, Directors or controlling shareholders subsisting at the end of FY2014 or have been entered into since the end of the previous financial year.

BOARD OF DIRECTORS

Mr Koh Wee Seng
Chief Executive Officer

Date of first appointment as a director	: 9 October 1989
Date of last re-election as a director	: n.a.
Length of service as a director (as at 31 Dec 2014)	: 25 years 3 months

Board Committee(s) served on:
- Nominating Committee (member)

Academic & professional Qualification(s):
- Bachelor of Business Administration, National University of Singapore.

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd
- LCD Global Investments Ltd

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Nil

BOARD OF DIRECTORS *(continued)*

Ms Ko Lee Meng
Executive Director

Date of first appointment as a director	: 1 May 1987
Date of last re-election as a director	: 25 April 2012
Length of service as a director (as at 31 Dec 2014)	: 27 years 8 months

Board Committee(s) served on:
- Nil

Academic & professional Qualification(s):
- Bachelor of Art, National University of Singapore.

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Nil

BOARD OF DIRECTORS *(continued)*

Ms Koh Lee Hwee
Non-Executive and Non-Independent Director

Date of first appointment as a director	: 15 August 1988
Date of last re-election as a director	: 24 April 2014
Length of service as a director (as at 31 Dec 2014)	: 26 years 5 months

Board Committee(s) served on:
- Audit Committee (member)
- Remuneration Committee (member)

Academic & professional Qualification(s):
- Bachelor of Art, National University of Singapore.

Present Directorship in listed companies
- Maxi-Cash Financial Services Corporation Ltd

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Nil

BOARD OF DIRECTORS *(continued)*

Mr Wong Soon Yum
Independent Non-Executive Director

Date of first appointment as a director	: 27 May 1999
Date of last re-election as a director	: 26 April 2013
Length of service as a director (as at 31 Dec 2014)	: 15 years 8 months

Board Committee(s) served on:
- Audit Committee (Chairman)
- Nominating Committee (member)
- Remuneration Committee (member)

Academic & professional Qualification(s):
- Professional Diploma in Accountancy, Singapore Polytechnic Management Programme, Stanford-National University of Singapore

Present Directorship in listed companies
- Nil

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Nil

BOARD OF DIRECTORS *(continued)*

Mr Kau Jee Chu
Independent Non-Executive Director

Date of first appointment as a director	: 1 November 2002
Date of last re-election as a director	: 24 April 2014
Length of service as a director (as at 31 Dec 2014)	: 12 years 2 months

Board Committee(s) served on:
- Nominating Committee (Chairman)
- Audit Committee (member)
- Remuneration Committee (member)

Academic & professional Qualification(s):
- Bachelor in Accountancy, National University of Singapore

Present Directorship in listed companies
- Global Premium Hotel Limited

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Nil

BOARD OF DIRECTORS *(continued)*

Ms Ng Bie Tjin @ Djuniarti Intan
Independent Non-Executive Director

Date of first appointment as a director	:	20 January 2014
Date of last re-election as a director	:	24 April 2014
Length of service as a director (as at 31 Dec 2014)	:	11 months

Board Committee(s) served on:
- Remuneration Committee (Chairman)
- Audit Committee (member)
- Nominating Committee (member)

Academic & professional Qualification(s):
- Masters in Business Administration, University of South California

Present Directorship in listed companies
- Nil

Major Appointments (other than Directorship)
- Nil

Past Directorships in listed companies held over the preceding three years (from 1 Jan 2012 to 31 Dec 2014)
- Datapulse Technology Limited

FINANCIAL REPORT

Contents

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Aspial Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014.

DIRECTORS

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

Koh Wee Seng
Ko Lee Meng
Koh Lee Hwee
Wong Soon Yum
Kau Jee Chu
Ng Bie Tjin @ Djuniarti Intan

In accordance with Articles 104 of the Company's Articles of Association, Ko Lee Meng retires and, being eligible, offers herself for re-election. In accordance with Section 153(6) of the Companies Act, Chapter 50, Wong Soon Yum and Kau Jee Chu retire and, being eligible, offer themselves for re-election.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Held by directors			*Other shareholdings in which directors are deemed to have an interest*		
	1 January 2014 or date of appointment	*31 December 2014*	*21 January 2015*	*1 January 2014 or date of appointment*	*31 December 2014*	*21 January 2015*
MLHS Holdings Pte. Ltd.						
Ordinary shares						
Koh Wee Seng	1,410,000	1,410,000	1,410,000	–	–	–
Ko Lee Meng	772,500	772,500	772,500	–	–	–
Koh Lee Hwee	607,500	607,500	607,500	–	–	–
Aspial Corporation Limited						
Ordinary shares						
Koh Wee Seng	293,617,990	336,863,500	336,863,500	1,023,134,939	1,097,194,355	1,097,194,355
Ko Lee Meng	29,772,309	31,928,321	31,928,321	1,019,552,451	1,093,283,382	1,093,283,382
Koh Lee Hwee	29,872,831	30,888,888	30,888,888	1,035,195,432	1,110,028,834	1,110,028,834
Ng Bie Tjin @ Djuniarti Intan	158,400	158,400	158,400	–	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2015.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Koh Wee Seng, Ko Lee Meng and Koh Lee Hwee are deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

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

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OPTIONS

No options were issued by the Company during the financial year. As at 31 December 2014, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

AUDIT COMMITTEE

The Audit Committee performed the functions specified in the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Corporate Governance Report.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Koh Wee Seng Director	Ko Lee Meng Director

Singapore
27 March 2015

STATEMENT BY DIRECTORS

We, Koh Wee Seng and Ko Lee Meng, being two of the directors of Aspial Corporation Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

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

On behalf of the Board of Directors:

Koh Wee Seng Director	Ko Lee Meng Director

Singapore
27 March 2015

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Aspial Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 62 to 178, which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

27 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	2014 $'000	2013 $'000
Revenue	4	510,061	515,262
Materials and subcontract costs		(339,253)	(312,495)
Employee benefits	5	(46,234)	(53,540)
Depreciation and amortisation		(5,136)	(5,242)
Finance costs	6	(17,120)	(13,073)
Other operating expenses		(92,514)	(71,544)
Operating profit		9,804	59,368
Interest income		3,766	229
Rental income		9,394	8,213
Other income	7	33,841	2,109
Share of results of associates		4,864	31,077
Profit before tax	8	61,669	100,996
Income tax expense	27(a)	(8,038)	(15,530)
Profit for the year		53,631	85,466
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net fair value changes of available-for-sale financial assets		(748)	–
Foreign currency translation		(2,286)	–
Other comprehensive income for the year, net of tax		(3,034)	–
Total comprehensive income for the year		50,597	85,466
Profit for the year attributable to:			
Owners of the Company		43,066	67,545
Non-controlling interests		10,565	17,921
		53,631	85,466
Total comprehensive income attributable to:			
Owners of the Company		40,032	67,545
Non-controlling interests		10,565	17,921
		50,597	85,466
Earnings per share (cents)			
Basic	9	2.41	4.08
Diluted	9	2.41	4.08

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-current assets					
Property, plant and equipment	10	24,769	24,287	373	338
Investment properties	11	45,700	–	–	–
Intangible assets	12	7,985	8,495	35	35
Investment in subsidiaries	13	–	–	78,601	77,601
Investment in associates	14	59,699	54,835	–	–
Investment in joint venture	15	25	25	25	25
Investment securities	17	30,559	33	30,536	–
Other receivables	20	3,605	5,129	49	–
Prepaid rent	21	95	143	–	–
Deferred tax assets	27(c)	7,012	1,692	288	168
		179,449	94,639	109,907	78,167
Current assets					
Inventories	18	131,138	117,219	–	–
Development properties	19(a)	890,563	751,921	–	–
Property held for sale	19(b)	8,565	–	–	–
Trade and other receivables	20	224,903	194,468	34	60
Prepaid rent	21	212	379	–	–
Prepayments		4,303	13,269	3,392	1,701
Due from subsidiaries (non-trade)	22	–	–	570,290	368,697
Due from an affiliated company (non-trade)	22	2,752	3,486	–	–
Due from associates (non-trade)	22	17,160	32,741	–	–
Investment securities	17	103,597	–	–	–
Cash and bank balances	23	83,619	67,461	3,640	2,027
		1,466,812	1,180,944	577,356	372,485
Total assets		1,646,261	1,275,583	687,263	450,652

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current liabilities					
Trade and other payables	24	61,779	80,168	8,576	6,998
Due to subsidiaries (non-trade)	22	–	–	78	78
Due to an affiliated company (non-trade)	22	–	1,310	–	–
Due to an associate (non-trade)	22	55,880	–	–	–
Provision for taxation		25,057	3,358	27	38
Interest-bearing loans and borrowings	25	223,599	173,312	–	–
Term notes	26	85,000	65,000	85,000	65,000
		451,315	323,148	93,681	72,114
Net current assets		1,015,497	857,796	483,675	300,371
Non-current liabilities					
Other payables	24	4,343	–	–	–
Interest-bearing loans and borrowings	25	409,289	415,315	–	–
Term notes	26	397,500	185,125	410,000	185,125
Deferred tax liabilities	27(c)	14,069	21,714	–	–
		825,201	622,154	410,000	185,125
Total liabilities		1,276,516	945,302	503,681	257,239
Net assets		369,745	330,281	183,582	193,413
Equity attributable to owners of the Company					
Share capital	28(a)	202,179	152,611	202,179	152,611
Treasury shares	28(b)	(2,473)	(460)	(2,473)	(460)
Other reserves	28(c)	(44)	4,761	2,403	842
Revenue reserves		125,696	135,597	(18,527)	40,420
		325,358	292,509	183,582	193,413
Non-controlling interests		44,387	37,772	–	–
Total equity		369,745	330,281	183,582	193,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Attributable to owners of the Company: Share capital $'000	Treasury shares $'000	Other reserves $'000	Revenue reserves $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group								
At 1 January 2013		76,801	(538)	4,419	122,664	203,346	28,357	231,703
Profit for the year, representing total comprehensive income for the year		–	–	–	67,545	67,545	17,921	85,466
Contributions by and distributions to owners								
Dividends on ordinary shares	29	–	–	–	(54,612)	(54,612)	(8,506)	(63,118)
Ordinary shares issued under scrip dividend	28(a)	52,113	–	–	–	52,113	–	52,113
Ordinary shares issued under rights issue	28(a)	23,807	–	–	–	23,807	–	23,807
Share issuance expenses	28(a)	(110)	–	–	–	(110)	–	(110)
Treasury shares reissued pursuant to employee share award		–	78	342	–	420	–	420
Total contributions by and distributions to owners		75,810	78	342	(54,612)	21,618	(8,506)	13,112
At 31 December 2013		152,611	(460)	4,761	135,597	292,509	37,772	330,281

	Note	Attributable to owners of the Company Share capital	Treasury shares	Other reserves	Revenue reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Group		$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2014		152,611	(460)	4,761	135,597	292,509	37,772	330,281
Profit for the year		–	–	–	43,066	43,066	10,565	53,631
Other comprehensive income								
Net loss on fair value changes of available-for-sale financial assets		–	–	(748)	–	(748)	–	(748)
Foreign currency translation		–	–	(2,286)	–	(2,286)	–	(2,286)
Other comprehensive income for the year, net of tax		–	–	(3,034)	–	(3,034)	–	(3,034)
Total comprehensive income for the year		–	–	(3,034)	43,066	40,032	10,565	50,597
Contributions by and distributions to owners								
Dividend on ordinary shares	29	–	–	–	(52,967)	(52,967)	(8,222)	(61,189)
Ordinary shares issued under scrip dividend	28(a)	49,568	–	–	–	49,568	–	49,568
Purchase of treasury shares	28(b)	–	(2,122)	–	–	(2,122)	–	(2,122)
Treasury shares re-issued pursuant to employee share award		–	109	519	–	628	–	628
Capital contribution from non-controlling interests		–	–	–	–	–	2,851	2,851
Total contributions by and distributions to owners		49,568	(2,013)	519	(52,967)	(4,893)	(5,371)	(10,264)
Changes in ownership interests in a subsidiary								
Acquisition of non-controlling interests without a change in control, representing total changes in ownership interests in a subsidiary	13	–	–	(2,290)	–	(2,290)	1,421	(869)
At 31 December 2014		202,179	(2,473)	(44)	125,696	325,358	44,387	369,745

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Revenue reserves $'000	Total equity $'000
Company						
At 1 January 2013		76,801	(538)	500	27,602	104,365
Profit for the year, representing total comprehensive income for the year		–	–	–	67,430	67,430
Contributions by and distributions to owners						
Dividends on ordinary shares	29	–	–	–	(54,612)	(54,612)
Ordinary shares issued under scrip dividend	28(a)	52,113	–	–	–	52,113
Ordinary shares issued under rights issue	28(a)	23,807	–	–	–	23,807
Share issuance expenses	28(a)	(110)	–	–	–	(110)
Treasury shares reissued pursuant to employee share award		–	78	342	–	420
Total contributions by and distributions to owners		75,810	78	342	(54,612)	21,618
At 31 December 2013		152,611	(460)	842	40,420	193,413
Loss for the year		–	–	–	(5,980)	(5,980)
Other comprehensive income						
Net gain on fair value changes of available-for-sale financial assets, representing other comprehensive income for the year, net of tax		–	–	1,042	–	1,042
Total comprehensive income for the year		–	–	1,042	(5,980)	(4,938)
Contributions by and distributions to owners						
Dividends on ordinary shares	29	–	–	–	(52,967)	(52,967)
Ordinary shares issued under scrip dividend	28(a)	49,568	–	–	–	49,568
Purchase of treasury shares	28(b)	–	(2,122)	–	–	(2,122)
Treasury shares reissued pursuant to employee share award		–	109	519	–	628
Total contributions by and distributions to owners		49,568	(2,013)	519	(52,967)	(4,893)
At 31 December 2014		202,179	(2,473)	2,403	(18,527)	183,582

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

For the financial year ended 31 December 2014

	Note	2014 $'000	2013 $'000
Operating activities			
Profit before tax		61,669	100,996
Adjustments for:			
Property, plant and equipment written-off		383	469
Depreciation of property, plant and equipment	10	4,224	4,352
Employee Share Award Scheme expenses	5	628	420
Write down of inventories	18	217	560
Recovery of doubtful receivables	20	(46)	(13)
Allowance for doubtful receivables	20	137	–
Interest expense	6	17,120	13,073
Interest income		(3,766)	(229)
Loss on disposal of property, plant and equipment		6	–
Amortisation of prepaid rent	21	402	379
Amortisation of intangible assets	12	510	511
Net fair value losses on available-for-sale financial assets		748	–
Net gain on disposal of available-for-sale financial assets	7	(223)	–
Net fair value gains on investment properties	7	(30,011)	–
Dividend income from investment securities		(972)	–
Share of results of associates		(4,864)	(31,077)
Translation difference		(2,286)	–
Operating profit before changes in working capital		43,876	89,441
Changes in working capital			
Increase in inventories		(14,136)	(8,039)
Increase in development properties		(162,896)	(217,508)
Decrease in property held for sale		–	6,382
Increase in trade and other receivables		(29,002)	(12,481)
Decrease/(increase) in prepayments		8,841	(11,181)
Decrease in trade and other payables		(15,247)	(9,701)
Total changes in working capital		(212,440)	(252,528)
Cash flows used in operations		(168,564)	(163,087)
Interest paid		(17,120)	(13,073)
Income taxes refunded/(paid)		1,149	(12,317)
Net cash flows used in operating activities		(184,535)	(188,477)

For the financial year ended 31 December 2014
(continued)

	Note	2014 $'000	2013 $'000
Investing activities			
Purchase of property, plant and equipment	10	(5,201)	(11,701)
Proceeds from sale of property, plant and equipment		106	–
Investment in associates		–	147
Increase in prepaid rent		(187)	–
Interest received		3,766	229
Purchase of investment securities		(226,338)	–
Dividend income from investment securities		972	–
Proceeds from disposal of investment securities		79,190	–
Acquisition of non-controlling interests of subsidiary	13	(869)	–
Due to/(from) associates (non-trade), net		71,461	(13,799)
Net cash flows used in investing activities		(77,100)	(25,124)
Financing activities			
Dividends paid to shareholders of the Company		(3,399)	(14,043)
Dividends paid to non-controlling interests of subsidiaries		(8,222)	(8,506)
Proceeds from issuance of shares by subsidiaries to a non-controlling interest		2,851	–
Proceeds from issuance of term notes, net of commitment fees		310,000	100,125
Repayment of term notes		(65,000)	–
Proceeds from issuance of rights shares, net of issuance expenses	28(a)	–	23,697
Purchase of treasury shares		(2,122)	–
Proceeds from term loans		133,006	227,695
Repayment of term loans		(118,930)	(99,274)
Proceeds from short-term bank borrowings, net		30,196	4,714
Repayment of obligations under finance leases		(11)	(46)
Due to an affiliated company (non-trade), net		(576)	(55)
Net cash flows from financing activities		277,793	234,307
Net increase in cash and cash equivalents		16,158	20,706
Cash and cash equivalents at beginning of year		67,461	46,755
Cash and cash equivalents at end of year	23	83,619	67,461

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Aspial Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The immediate and ultimate holding company is MLHS Holdings Pte. Ltd., which is also incorporated in Singapore.

The address of the Company's registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The address of its principal place of business is located at 55 Ubi Avenue 1, #07-11 Ubi 55, Singapore 408935.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ("$'000"), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 July 2014
(b) Amendments to FRS 24 Related Party Disclosures	1 July 2014
(c) Amendments to FRS 102 Share Based Payment	1 July 2014
(d) Amendments to FRS 103 Business Combinations	1 July 2014
(e) Amendments to FRS 108 Operating Segments	1 July 2014
(f) Amendments to FRS 113 Fair Value Measurement	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 111 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 19 Employee Benefits	1 January 2016
(b) Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

Except for FRS 109 and FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Standards issued but not yet effective *(continued)*

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2.4 Basis of consolidation and business combinations

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Basis of consolidation and business combinations *(continued)*

a. Basis of consolidation *(continued)*

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

b. Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Basis of consolidation and business combinations *(continued)*

b. Business combinations and goodwill *(continued)*

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

Joint operations

The Group recognises in relation to its interest in a joint operation,

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's 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 investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Foreign currency

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group has determined its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

a. Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

b. Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress is not depreciated until it is ready for its intended use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Property, plant and equipment *(continued)*

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold properties	– 50 years
Leasehold property	– 68 years
Renovations, electrical fittings, furniture and fittings	– 3 to 5 years
Air-conditioners, security equipment and office equipment	– 3 to 5 years
Machinery, tools and equipment	– 5 years
Computers	– 3 years
Motor vehicles	– 3 to 7 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

i. Brands

The brands were acquired in business combinations. The useful lives of the brands are estimated to be 15 years and are amortised on a straight-line basis.

ii. Trademark

Trademark acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. It is amortised on a straight line basis over its finite useful life of 15 years.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.13 Impairment of non-financial assets *(continued)*

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.14 Financial instruments

a. Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i. Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Financial instruments *(continued)*

a. Financial assets *(continued)*

Subsequent measurement *(continued)*

ii. Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as financial assets designated at fair value through profit or loss nor loans and receivables. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Financial instruments *(continued)*

a. Financial assets *(continued)*

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and cash amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

a. Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Impairment of financial assets *(continued)*

a. Financial assets carried at amortised cost *(continued)*

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

b. Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c. Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Impairment of financial assets *(continued)*

c. Available-for-sale financial assets *(continued)*

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Raw materials	–	purchase costs on a weighted average basis; and
Finished goods	–	cost of raw materials, labour and an attributable portion of overheads, determined on a specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2.18 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Development properties *(continued)*

The cost of development properties include:

– Freehold and leasehold rights for land;
– Amounts paid to contractors for construction;
– Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
– Non-refundable sales agent commission.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are capitalised and amortised to profit or loss as the Group expects to recognise the related revenue.

Provision is made for foreseeable losses in arriving at estimated net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.19 Properties held for sale

Properties held for sale are properties constructed or purchased which are intended for sale in the ordinary course of business. Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

2.20 Affiliated company

An affiliated company is an entity, not being a subsidiary or an associate, in which one or more of the shareholders of the Company's subsidiaries have a significant equity interest or exercise significant influence.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 Employee benefits

a. Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b. Employee leave entitlement

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.23 Employee benefits *(continued)*

c. Employees share award plan

The Company's treasury shares can be awarded to certain employees and directors of the Group. Share award expense is recognised as an expense in the same period in which the related service is performed. The fair value of the share award expense is determined based on the market value of the shares at the distribution dates.

2.24 Leases

a. As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b. As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25(c). Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Revenue

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, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, taxes or duty.

a. Sales of goods

Revenue from sale of jewellery

Revenue from sale of jewellery is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from sale of development properties

Where development property is under construction and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

– A contract to construct a property; or
– A contract for the sale of completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

i. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Revenue *(continued)*

a. Sales of goods *(continued)*

Revenue from sale of development properties *(continued)*

ii. In the Singapore context, INT FRS 115 includes an accompanying note on application of INT FRS 115 in Singapore which requires the percentage of completion method of revenue recognition to be applied to sale of private residential properties in Singapore prior to completion of properties that are regulated under the Singapore Housing Developers (Control and Licensing) Act (Chapter 130) and uses the standard form of sale and purchase agreements ("SPAs") prescribed in the Housing Developers Rules.

In the above situations (i) and (ii), the percentage of work completed is measured by reference to the survey of work performed by external architects.

b. Interest income

Interest income is recognised using the effective interest method.

c. Rental income from operating leases

Rental income arising from operating leases on leasehold properties and standing property at a development site is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

d. Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.26 Taxes

a. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.26 Taxes *(continued)*

b. Deferred tax *(continued)*

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint operations, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

c. Sales tax

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

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.30 Contingencies

A contingent liability is:

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b. a present obligation that arises from past events but is not recognised because:

   i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   ii. The amount of the obligation cannot be measured with sufficient reliability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.30 Contingencies *(continued)*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.31 Related parties

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 arrangement of the other entity (or an associate or joint arrangement of a member of a group of which the other entity is a member).
   iii. both entities are joint arrangement of the same third party.
   iv. one entity is a joint arrangement 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.32 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments in applying accounting policies

Management is of the opinion that there is no significant judgment made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(continued)*

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. 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. Goodwill is tested for impairment annually and at other times when such indicators exist. Other 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 must estimate 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. Further details of the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 12 to the financial statements.

b. Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 20 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $88,000 (2013: increase by $79,000).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(continued)*

3.2 Key sources of estimation uncertainty *(continued)*

c. Income taxes

The Group has exposure to income taxes in the countries where the Group operates. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises 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 provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation, deferred tax liabilities and deferred tax assets at the end of the reporting period was $25,057,000 (2013: $3,358,000), $14,069,000 (2013: $21,714,000) and $7,012,000 (2013: $1,692,000) respectively.

d. Impairment of inventories

The Group periodically assesses the allowance for inventory obsolescence. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an impairment against the inventory balance. To determine whether there is objective evidence of impairment, the Group estimates future demand for the product. Any possible changes in these estimates could result in revision to the valuation of inventory. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(continued)*

3.2 Key sources of estimation uncertainty *(continued)*

e. Revenue recognition on development properties

The Group recognises revenues and costs of certain types of development properties which meet the criteria under INT FRS 115 and the accompanying note on application of INT FRS 115 by reference to the stage of completion using the percentage of completion method. The stage of completion is measured by reference to the survey of work performed by external architects.

Significant assumptions are required to estimate the total development costs which are recognised by reference to the stage of completion of a project at the end of the reporting period. In making these estimates, management has relied on costs actually paid or contracted for, and in respect of costs not paid or contracted for, management's estimates of the costs to be incurred taking into consideration historical trends of its project costs.

Management has reviewed the status of all its projects and is satisfied that the estimates are realistic, and the estimates of total project costs and sales proceeds indicate full project recovery. The carrying amounts of the development properties and accrued expenses relating to development properties are disclosed in Note 19(a) and Note 24 to the financial statements.

f. Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 31 December 2014. The fair values of investment properties are determined by independent real estate valuation experts using the market comparison method. The carrying amount of the investment properties as at 31 December 2014 is $45,700,000 (2013: $Nil).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES *(continued)*

3.2 Key sources of estimation uncertainty *(continued)*

g. Estimation of net realisable value for development properties

Development properties are stated at the lower of cost and net realisable value ("NRV").

NRV in respect of the Group's development properties located in Singapore is assessed with reference to market prices at the reporting date for similar properties less estimated costs to complete construction. As at 31 December 2014 and 2013, the carrying amounts of development properties located in Singapore disclosed in Note 19(a) to the financial statements are stated at cost.

As at 31 December 2014, a substantial portion of the Group's development properties located outside of Singapore are in their planning phases, some of which the Group is in the process of obtaining the necessary development permits from the relevant authorities in the respective jurisdictions. NRV in respect of these development properties is assessed based on management's best estimates of expected selling prices and estimated construction costs based on prevailing conditions in the respective markets where the properties are located, with the assumption that the required development permits will be obtained.

In terms of expected selling prices, management has made the estimates with reference to market prices at the reporting date for similar properties in the respective markets where applicable. Where market prices are not available, management has taken into account input from property agents and the property type as well as targeted segment. Estimated construction costs or costs to complete construction take into account construction contracts entered into or input from project managers.

As at 31 December 2014 and 2013, the carrying amounts of development properties located outside of Singapore disclosed in Note 19(a) to the financial statements are stated at cost.

h. Estimation of net realisable value for property held for sale

Property held for sale is stated at the lower of cost and NRV.

NRV in respect of property held for sale is assessed with reference to market prices at the reporting date for similar completed properties less estimated costs necessary to make the sale. As at 31 December 2014, the carrying amount of property held for sale disclosed in Note 19(b) to the financial statements is stated at cost.

4. REVENUE

	Group 2014 $'000	Group 2013 $'000
Sale of jewellery	230,033	248,487
Revenue from sale of development properties	254,083	241,845
Interest income from providing collateral loan services	25,945	24,930
	510,061	515,262

5. EMPLOYEE BENEFITS

	Group 2014 $'000	Group 2013 $'000
Employee benefits expense (including executive directors):		
Salaries and bonuses	40,882	48,572
Central Provident Fund contributions	4,724	4,548
Share Award Scheme expenses	628	420
	46,234	53,540

Share Awards

During the financial year, the Company distributed 1,411,000 (2013: 1,013,000) shares out of treasury shares to its employees under the Aspial Share Award Scheme at a reissue price of $0.445 (2013: $0.415) per share.

6. FINANCE COSTS

	Group 2014 $'000	Group 2013 $'000
Interest expense on:		
– term loans/short-term borrowings	12,825	10,495
– term notes	18,871	9,291
– bank overdrafts	–	4
– advances from an affiliated company	56	56
– others	1,814	884
	33,566	20,730
Less: interest capitalised in development properties	(16,446)	(7,657)
Total finance costs	17,120	13,073

7. OTHER INCOME

	Group 2014 $'000	Group 2013 $'000
Net foreign exchange gain	–	243
Marketing rebate	46	–
Cash purchase discount	282	424
Dividend income from investment securities	972	3
Forfeiture of option fees on sale of development properties	510	136
Write back of overprovision of defect liability	–	231
Service charges and car park income from a standing property on development site	667	387
Net fair value gains on investment properties	30,011	–
Net gain on disposal of available-for-sale financial assets	223	–
Others	1,130	685
	33,841	2,109

8. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group 2014 $'000	Group 2013 $'000
Audit fees paid to:			
– Auditors of the Company		471	480
– Other auditors		95	5
Non-audit fees paid to:			
– Auditors of the Company		145	95
Amortisation of prepaid rent	21	402	379
Amortisation of intangible assets	12	510	511
Directors' fees		248	148
Depreciation of property, plant and equipment	10	4,224	4,352
Fixed rental expense on operating leases	31(c)	33,290	34,031
Contingent rental expense on operating leases	31(c)	3,576	5,148
Net loss on disposal of property, plant and equipment		6	–
Property, plant and equipment written-off	10	383	469
(Recovery of)/Allowance for doubtful receivables			
– Trade receivables		137	–
– Other receivables		(46)	(13)
Write down of inventories	18	217	560
Financial losses on pledged items not fully covered by insurance		77	28

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of shares takes into account the weighted average effect of issue of bonus shares, bonus element in rights issue and changes in treasury shares transactions during the year. Comparatives have been adjusted accordingly, as applicable.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group 2014 $'000	Group 2013 $'000
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share	43,066	67,545
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	1,788,536	1,655,601
Earnings per share (cents)		
– basic	2.41	4.08
– diluted	2.41	4.08

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold properties	Leasehold property	Renovations, electrical fittings, furniture and fittings	Air-conditioners, security equipment and office equipment	Machinery, tools and equipment	Computers	Motor vehicles	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:									
At 1 January 2013	4,476	4,629	22,580	4,320	1,327	4,244	515	476	42,567
Additions	6,689	–	1,001	743	100	414	–	2,754	11,701
Disposals	–	–	–	(2)	–	(3)	–	–	(5)
Written-off	–	–	(2,954)	(274)	(8)	(159)	–	–	(3,395)
Transfer in/(out)	–	–	1,989	–	2	84	–	(2,075)	–
At 31 December 2013 and 1 January 2014	11,165	4,629	22,616	4,787	1,421	4,580	515	1,155	50,868
Additions	–	–	1,042	704	221	366	85	2,783	5,201
Disposals	–	–	(42)	(10)	(81)	(6)	(121)	–	(260)
Written-off	–	–	(2,910)	(142)	(3)	(31)	–	(81)	(3,167)
Transfer in/(out)	–	–	2,628	17	–	14	–	(2,659)	–
At 31 December 2014	11,165	4,629	23,334	5,356	1,558	4,923	479	1,198	52,642
Accumulated depreciation and impairment:									
At 1 January 2013	2	201	17,321	2,747	1,082	3,539	267	–	25,159
Depreciation charge for the year	5	68	3,058	598	97	468	58	–	4,352
Disposals	–	–	–	(1)	–	(3)	–	–	(4)
Written-off	–	–	(2,590)	(183)	(4)	(149)	–	–	(2,926)
At 31 December 2013 and 1 January 2014	7	269	17,789	3,161	1,175	3,855	325	–	26,581
Depreciation charge for the year	10	68	2,861	647	116	479	43	–	4,224
Disposals	–	–	(27)	(1)	(66)	(5)	(49)	–	(148)
Written-off	–	–	(2,628)	(127)	(3)	(26)	–	–	(2,784)
At 31 December 2014	17	337	17,995	3,680	1,222	4,303	319	–	27,873
Net carrying amount:									
At 31 December 2013	11,158	4,360	4,827	1,626	246	725	190	1,155	24,287
At 31 December 2014	11,148	4,292	5,339	1,676	336	620	160	1,198	24,769

10. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	*Renovations, electrical fittings, furniture and fittings* *$'000*	*Air-conditioners, security equipment and office equipment* *$'000*	*Machinery, tools and equipment* *$'000*	*Computers* *$'000*	*Motor vehicles* *$'000*	*Work-in-progress* *$'000*	*Total* *$'000*
Cost:							
At 1 January 2013	650	375	78	2,567	23	–	3,693
Additions	29	3	–	105	–	–	137
At 31 December 2013 and 1 January 2014	679	378	78	2,672	23	–	3,830
Additions	16	33	–	139	–	87	275
Disposals	–	(3)	–	–	(23)	–	(26)
Written-off	–	–	–	(4)	–	–	(4)
Transfer in/(out)	87	–	–	–	–	(87)	–
At 31 December 2014	782	408	78	2,807	–	–	4,075
Accumulated depreciation and impairment:							
At 1 January 2013	631	348	78	2,173	12	–	3,242
Depreciation charge for the year	9	11	–	226	4	–	250
At 31 December 2013 and 1 January 2014	640	359	78	2,399	16	–	3,492
Depreciation charge for the year	20	11	–	199	–*	–	230
Disposals	–	–*	–	–	(16)	–	(16)
Written-off	–	–	–	(4)	–	–	(4)
At 31 December 2014	660	370	78	2,594	–	–	3,702
Net carrying amount:							
At 31 December 2013	39	19	–	273	7	–	338
At 31 December 2014	122	38	–	213	–	–	373

* *Less than $1,000*

10. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Assets held under finance leases

The carrying amount of property, plant and equipment held under finance leases at the end of reporting period were $Nil (2013: $118,000), which has been included in the Group's carrying amount of motor vehicles.

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the Group's properties with a carrying amount of $15,440,000 (2013: $15,518,000) are mortgaged to secure the Group's bank loans (Note 25).

11. INVESTMENT PROPERTIES

	Group	
	2014 $'000	2013 $'000
Statement of financial position:		
At 1 January	–	–
Transfer from development properties	15,689	–
Net gains from fair value adjustments recognised in profit or loss	30,011	–
At 31 December	45,700	–
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	727	–
- Contingent rent based on tenant's turnover	4	–
	731	–
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	322	–

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

11. INVESTMENT PROPERTIES *(continued)*

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2014. The valuations were performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued. Details of the valuation technique and inputs used are disclosed in Note 35.

Properties pledged as security

As at 31 December 2014, the investment properties with a carrying value of $45,700,000 (2013: $Nil) are pledged to bank as security for term loan facilities granted (Note 25).

The investment properties held by the Group as at 31 December are as follows:

Description and location	*Existing Use*	*Tenure*
#01-08, #01-47, #01-48, #01-49, #01-64, #01-65, #01-67, #01-68 East Village, Bedok Road, Singapore	Shops	Freehold

12. INTANGIBLE ASSETS

	Group			Group and Company	Group
	Brand $'000	Trademark $'000	Goodwill $'000	Club membership $'000	Total $'000
Cost:					
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	8,421	723	4,994	49	14,187
Accumulated amortisation and impairment:					
At 1 January 2013	4,722	445	–	14	5,181
Amortisation	463	48	–	–	511
At 31 December 2013 and 1 January 2014	5,185	493	–	14	5,692
Amortisation	462	48	–	–	510
At 31 December 2014	5,647	541	–	14	6,202
Net carrying amount:					
At 31 December 2013	3,236	230	4,994	35	8,495
At 31 December 2014	2,774	182	4,994	35	7,985

Amortisation expense

The brand and trademark acquired are amortised on a straight-line basis over their estimated economic useful lives of 15 years. The remaining amortisation period for the brand and trademark are 7 years and 5 years (2013: 8 years and 6 years) respectively.

12. INTANGIBLE ASSETS *(continued)*

Impairment testing of goodwill

Impairment testing of goodwill has been done by comparing the carrying amount of goodwill with its recoverable amount.

The recoverable amount of goodwill has been determined based on value in use calculations using cash flow projections from financial budgets of the business unit approved by management covering a five year period. Management has considered and determined the factors applied in these financial budgets which include average growth rates derived based on management's judgment. The growth rate applied is 2% (2013: 2%) and the pre-tax discount rate applied in the cash flow projections is 12.5% (2013: 8.0%), which reflects management's estimation of the risks specific to the segment.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Equity shares, at cost	78,601	77,601

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Composition of the Group

The Group has the following investment in subsidiaries:

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held by the Company					
(c)	Aspial International Pte. Ltd.	Singapore	Jewellery wholesaling and exporting	100	100
(a)	World Class Land Pte. Ltd.	Singapore	Property development	90	90
(f)	Gold Purple Pte. Ltd.	Singapore	Jewellery manufacturing (dormant)	100	100
(f)	Belgium – Singapore Diamond Corporation Pte. Ltd.	Singapore	Diamond trading (dormant)	100	100
(a)	Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.	Singapore	Jewellery retailing and manufacturing	100	100
(a)	Maxi-Cash Financial Services Corporation Ltd.	Singapore	Investment holding	81.08	81.08
(a)	World Financial Property Pte. Ltd.	Singapore	Real estate activities	100	100
(a),(g)	Aspial Investment Holding Pte. Ltd.	Singapore	Investment holding	100	–
(a),(g)	AF Global Pte. Ltd. (formerly known as Aspial Global Holdings Pte Ltd)	Singapore	Investment holding (dormant)	100	–
Held through subsidiaries					
Aspial-Lee Hwa Jewellery Singapore Pte. Ltd.					
(a), (i)	Citigems Pte. Ltd.	Singapore	Jewellery retailing	61.5	49
(a)	Aspial-Lee Hwa Jewellery Pte. Ltd.	Singapore	Jewellery retailing	100	100
(a)	Goldheart Jewelry Pte. Ltd.	Singapore	Jewellery retailing	100	100

13. INVESTMENT IN SUBSIDIARIES *(continued)*

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held through subsidiaries *(continued)*					
Aspial International Pte. Ltd.					
(c)	BU2 Services Pte. Ltd.	Singapore	Investment holding	100	100
World Class Land Pte. Ltd.					
(d)	World Class Developments Pte. Ltd.	Singapore	Property development	100	100
(c)	Advance Property Pte. Ltd.	Singapore	Investment holding	100	100
(d)	World Class Property Pte. Ltd.	Singapore	Property development	100	100
(d)	World Class Capital Pte. Ltd.	Singapore	Property development	80	80
(a)	World Class Global Pte. Ltd.	Singapore	Investment holding	100	100
Advance Property Pte. Ltd.					
(c)	Headway Construction Pte. Ltd.	Singapore	Building construction and contractors	100	100
(c)	Dynamic Project Management Services Pte. Ltd.	Singapore	Property management	100	100
World Class Capital Pte. Ltd.					
(d),(h)	World Class Capital (LN) Pte. Ltd.	Singapore	Property development	100	100
World Class Property Pte. Ltd.					
(d)	World Class Property (Eastcoast) Pte. Ltd.	Singapore	Property development	100	100
(d)	World Class Investments Pte. Ltd.	Singapore	Property investment	100	100
(d)	World Class Property (Dunearn) Pte. Ltd.	Singapore	Property development	100	100
(d),(h)	World Class Property (North) Pte. Ltd.	Singapore	Property development	80.2	80.2
(d)	World Class Property (Central) Pte. Ltd.	Singapore	Property development	100	100

13. INVESTMENT IN SUBSIDIARIES *(continued)*

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
	Held through subsidiaries *(continued)*				
	World Class Property Pte. Ltd. *(continued)*				
(a)	World Class Property (Telok Kurau) Pte. Ltd.	Singapore	Property development	100	100
	World Class Developments Pte. Ltd.				
(a)	World Class Developments (Bedok) Pte. Ltd.	Singapore	Property development	80	80
(a)	World Class Developments (Central) Pte. Ltd.	Singapore	Property development	100	100
(a)	World Class Developments (City Central) Pte. Ltd.	Singapore	Property development	90	90
(a)	World Class Developments (North) Pte. Ltd.	Singapore	Property development	100	100
	World Class Global Pte. Ltd.				
(e)	World Class Land (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100	100
(f)	World Class Land (Australia) Pty. Ltd.	Australia	Investment holding	100	100
	World Class Land (Malaysia) Sdn. Bhd.				
(e)	World Class Land (Penang) Sdn. Bhd.	Malaysia	Property development	100	100
	World Class Land (Penang) Sdn. Bhd.				
(e),(g)	World Class Land (Georgetown) Holdings Sdn. Bhd.	Malaysia	Property development	95	–
	World Class Land (Georgetown) Holdings Sdn. Bhd.				
(b)	World Class Land (Georgetown) Sdn. Bhd.	Malaysia	Property development	100	100
(b),(g)	WCL (Magazine) Sdn. Bhd.	Malaysia	Property development	100	–
(b),(g)	WCL (Macallum) Sdn. Bhd.	Malaysia	Property development	100	–
(b),(g)	WCL (Noordin St) Sdn. Bhd.	Malaysia	Property development	100	–

13. INVESTMENT IN SUBSIDIARIES *(continued)*

	Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
	Held through subsidiaries *(continued)*				
	World Class Land (Australia) Pty. Ltd.				
(b)	WCL-Cairns (QLD) Pty. Ltd.	Australia	Property development	100	100
(b)	WCL-Central Park (QLD) Pty. Ltd.	Australia	Property development	100	100
(b)	WCL-King (VIC) Pty. Ltd.	Australia	Property development	100	100
(b),(g)	WCL-Southbank (VIC) Pty. Ltd.	Australia	Property development	100	–
(b),(g)	WCL-A Beckett (VIC) Pty. Ltd.	Australia	Property development	100	–
(f),(g)	WCL (QLD) Holdings Pty. Ltd.	Australia	Property development	100	–
	WCL-Cairns (QLD) Pty. Ltd.				
(f),(g)	WCL (CNS) Aplin Pty. Ltd.	Australia	Property development	100	–
(b),(g)	WCL (CNS) CBD Pty. Ltd.	Australia	Property development	100	–
	WCL (QLD) Holdings Pty. Ltd.				
(b),(g)	WCL (QLD) Albert St Pty. Ltd.	Australia	Property development	100	–
(b),(g)	WCL (QLD) Margaret St Pty. Ltd.	Australia	Property development	65	–
	Maxi-Cash Financial Services Corporation Ltd.				
(a)	Maxi-Cash Group Pte. Ltd.	Singapore	Pawn brokerage and investment holding	100	100
(a)	Maxi-Cash Jewellery Group Pte. Ltd.	Singapore	Jewellery retailing	100	100
(a)	Gold N Gems Pte. Ltd.	Singapore	Jewellery retailing	100	100

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Name of Company		Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held through subsidiaries *(continued)*					
Maxi Cash Group Pte. Ltd.					
(a)	Maxi-Cash (North) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (West) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Clementi) Pte. Ltd.	Singapore	Pawn brokerage	70	70
(a)	Maxi-Cash Capital Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Assets Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash Ventures Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (Central 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (East 2) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East) Pte. Ltd.	Singapore	Pawn brokerage	100	100
(a)	Maxi-Cash (North East 2) Pte. Ltd. (formerly known as Cash & Co Pte. Ltd.)	Singapore	Pawn brokerage	100	100

(a) Audited by Ernst & Young LLP, Singapore
(b) Audited by member firms of EY Global in the respective countries
(c) Audited by David Yeung & Co PAC, Singapore
(d) Audited by CG Alliance, Singapore
(e) Audited by Baker Tily Monteiro Heng, Malaysia
(f) Exempted from audit
(g) Newly incorporated during the financial year ended 31 December 2014
(h) In the process of voluntary liquidation
(i) Citigems Pte. Ltd. was treated as a subsidiary of the Group during the financial year ended 31 December 2013 as the Group controls the composition of the Board of Directors of Citigems Pte. Ltd.

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit/(loss) allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2014					
Maxi-Cash Financial Services Corporation Ltd. ("MCFS") and its subsidiaries	Singapore	18.92%	395	12,997	222
World Class Land Pte. Ltd. ("WCL") and its subsidiaries	Singapore	10%	11,105	35,768	8,000
Citigems Pte. Ltd. ("CTG")	Singapore	38.5%	(935)	(4,378)	–
31 December 2013					
MCFS and its subsidiaries	Singapore	18.92%	464	12,824	456
WCL and its subsidiaries	Singapore	10%	18,252	29,812	8,050
CTG	Singapore	51%	(795)	(4,864)	–

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

	MCFS and its subsidiaries		WCL and its subsidiaries		CTG	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current						
Assets	240,779	222,667	1,002,308	596,732	1,470	1,896
Liabilities	(182,478)	(164,653)	(541,709)	(120,558)	(18,339)	(17,421)
Net current assets/(liabilities)	58,301	58,014	460,599	476,174	(16,869)	(15,525)
Non-current						
Assets	6,441	6,232	111,085	55,426	1,166	1,656
Liabilities	(36)	(224)	(418,191)	(425,235)	–	–
Net non-current assets/(liabilities)	6,405	6,008	(307,106)	(369,809)	1,166	1,656
Net assets/(liabilities)	64,706	64,022	153,493	106,365	(15,703)	(13,869)

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Summarised financial information about subsidiaries with material NCI *(continued)*

Summarised statement of comprehensive income

	MCFS and its subsidiaries		WCL and its subsidiaries		CTG	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue	109,605	113,098	254,083	241,845	25,759	30,595
Profit/(loss) before income tax	1,804	2,121	63,944	102,804	(1,834)	(1,559)
Income tax credit/(expense)	52	132	(9,516)	(14,841)	–	–
Profit/(loss) after tax	1,856	2,253	54,428	87,963	(1,834)	(1,559)
Other comprehensive income	–	–	(2,286)	–	–	–
Total comprehensive income	1,856	2,253	52,142	87,963	(1,834)	(1,559)

Other summarised information

	MCFS and its subsidiaries		WCL and its subsidiaries		CTG	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Net cash flows (used in)/generated from operations	(16,372)	(24,385)	19,361	(24,419)	(1,425)	(828)

13. INVESTMENT IN SUBSIDIARIES *(continued)*

Acquisition of ownership interest in subsidiary, without loss of control

On 31 December 2014, the Group's subsidiary company, Aspial-Lee Hwa Jewellery Singapore Pte. Ltd., acquired an additional 12.5% equity interest in Citigems Pte. Ltd. from its non-controlling interests for a cash consideration of $869,000. As a result of this acquisition, Citigems Pte. Ltd. became 61.5% owned by Aspial-Lee Hwa Jewellery Singapore Pte. Ltd. The carrying value of the net liabilities of Citigems Pte. Ltd. at 31 December 2014 was $15,703,000 and the carrying value of the additional interest acquired was $1,421,000. The difference of $2,290,000 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

The following summarises the effect of the change in the Group's ownership interest in Citigems Pte. Ltd. on the equity attributable to owners of the Company:

	$'000
Consideration for acquisition of non-controlling interests	869
Increase in equity attributable to non-controlling interests	1,421
Decrease in equity attributable to owners of the Company	2,290

14. INVESTMENT IN ASSOCIATES

The Group's investments in associates are summarised below:

	Group	
	2014	2013
	$'000	$'000
Kensington Land Pte. Ltd.	53,813	52,086
Kensington Village Pte. Ltd.	4,772	1,488
WCS Engineering Construction Pte. Ltd.	1,114	1,261
	59,699	54,835

14. INVESTMENT IN ASSOCIATES *(continued)*

Name of Company	Principal place of business	Principal activities	Proportion of ownership interest 2014 %	2013 %
Held through subsidiaries				
i WCS Engineering Construction Pte. Ltd.	Singapore	Civil engineering construction and general building engineering services	49	49
ii Kensington Land Pte. Ltd.	Singapore	Property development	40	40
ii Kensington Village Pte. Ltd.	Singapore	Property development	40	40

i Audited by CG Alliance
ii Audited by Deloitte & Touche LLP

The activities of the associates are strategic to the Group's activities.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2014	2013
	$'000	$'000
(Loss)/profit after tax, representing total comprehensive income	(301)	1,549

14. INVESTMENT IN ASSOCIATES *(continued)*

The summarised financial information in respect of Kensington Land Pte. Ltd. ("KEL") and Kensington Village Pte. Ltd. ("KEV") based on their FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of financial position

	KEL		KEV	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current assets	162,657	250,549	175,320	192,626
Non-current assets	6	–	–	262
Total assets	162,663	250,549	175,320	192,888
Current liabilities	28,131	94,688	161,969	63,128
Non-current liabilities	–	25,646	1,420	126,040
Total liabilities	28,131	120,334	163,389	189,168
Net assets	134,532	130,215	11,931	3,720
Proportion of Group's ownership	40%	40%	40%	40%
Group's share of net assets, representing carrying amount of the investment	53,813	52,086	4,772	1,488

Summarised statement of comprehensive income

	KEL		KEV	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue	13,279	234,945	71,385	11,044
Profit/(loss) after tax, representing total comprehensive income	4,317	77,231	8,211	(1,265)

15. INVESTMENT IN JOINT VENTURE

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Unquoted shares, at cost	25	25	25	25

Details of the joint venture as at 31 December 2014 are as follows:

Name of Company	*Principal place of business*	*Principal activities*	*Proportion of ownership interest* 2014 %	2013 %
Held by the Company				
# Jewelfest Pte. Ltd.	Singapore	Management of trade shows and exhibitions	40*	40*

Audited by KY Chik & Associates, Singapore

* *40% equity interest is held as to 20% by the Company and 20% by Goldheart Jewelry Pte. Ltd.*

The results of Jewelfest Pte. Ltd. have not been accounted for using the equity method as they are not material to the Group.

16. INVESTMENT IN JOINT OPERATIONS

The Group has 50% (2013: 50%) interest in the ownership and voting rights in three joint operations, Bayfront Ventures Pte. Ltd., Bayfront Realty Pte. Ltd. and Bayfront Land Pte. Ltd. that are held through a subsidiary, World Class Land Pte. Ltd..

All joint operations are incorporated in Singapore and are strategic ventures in the business. The Group jointly controls the joint operations with other partners under the respective contractual agreements and requires unanimous consent for all major decisions over the relevant activities.

Details of the joint operations as at 31 December 2014 are as follows:

Name of Company	*Principal place of business*	*Principal activities*	*Proportion of ownership interest 2014 %*	*2013 %*
Held through a subsidiary				
(a) Bayfront Ventures Pte. Ltd.	Singapore	Property development	50	50
(a) Bayfront Realty Pte. Ltd.	Singapore	Property development	50	50
(b) Bayfront Land Pte. Ltd.	Singapore	Property development	50	50

(a) Audited by Ernst &Young LLP, Singapore
(b) Audited by CG Alliance

17. INVESTMENT SECURITIES

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current:				
Available-for-sale financial assets				
- Quoted debt securities, at fair value	103,597	–	–	–
Non-current:				
Available-for-sale financial assets				
- Quoted equity shares, at fair value	30,536	–	30,536	–
- Unquoted equity shares, at cost	23	33	–	–
	30,559	33	30,536	–

The investment in unquoted equity shares is carried at cost as management is of the opinion that it is not practicable to determine with sufficient reliability the fair value of the unquoted investment.

18. INVENTORIES

	Group 2014 $'000	Group 2013 $'000
Consolidated statement of financial position:		
Finished goods, at cost	120,080	105,802
Raw materials, at cost	10,718	11,029
Packaging materials, at cost	340	388
Total inventories at lower of cost and net realisable value	131,138	117,219
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in profit or loss	147,158	170,643
Inclusive of the following charge:		
- Write down of inventories	217	560

A floating charge has been placed on inventories with a carrying value of $100,882,000 (2013: $96,554,000) as security for bank borrowings (Note 25).

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE

(a) *Development properties*

	Group 2014 $'000	Group 2013 $'000
Land costs	869,745	725,370
Development charges	44,296	35,189
Construction costs	65,057	78,328
Property tax	5,345	3,228
Interest costs	26,887	13,328
Other development expenditure	35,829	19,412
	1,047,159	874,855
Attributable profits	61,344	144,807
	1,108,503	1,019,662
Progress billings	(217,940)	(267,741)
	890,563	751,921
Relating to development properties:		
– Located in Singapore	611,902	751,921
– Located outside Singapore	278,661	–
	890,563	751,921

During the financial year, borrowing costs amounting to $16,446,000 (2013: $7,657,000) arising from borrowings obtained specifically for the development properties were capitalised.

A weighted average interest capitalisation rate of 1.76% (2013: 2.14%) per annum was used, representing the actual borrowing cost of the loans used to finance the projects.

The freehold land and leasehold land with a total carrying value of $835,284,000 (2013: $695,267,000) are pledged to banks as security for term loan facilities granted (Note 25).

Development properties amounting to $8,565,000 and $15,689,000 were transferred to property held for sale and investment properties respectively for the financial year ended 31 December 2014.

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(a) *Development properties* *(continued)*

Details of development properties held by the Group are as follows:

Location	Description and use	Land area (square metre)	Gross floor area (square metre)	Tenure	Stage of completion
World Class Land Pte. Ltd.					
Waterfront @ Faber Lot 08870V MK 05 at Faber Walk	Residential units	15,125	21,176	99 years	7% completed, expected completion in 2017
World Class Property (Telok Kurau) Pte. Ltd.					
Casa Palmera Lot 1397W MK23 at Lorong Melayu, Singapore	Landed residential units	856	743	Freehold	Completed. TOP obtained in November 2014
World Class Developments (Bedok) Pte. Ltd.					
East Village Lot 5230K, Lot 5231N at Bedok Road, Singapore	Residential/ commercial units	5,952	8,332	Freehold	Completed. TOP obtained in March 2014
World Class Developments (Central) Pte. Ltd.					
Cardiff Residence 101 and 103 Cardiff Grove	Residential units	5,887	8,872	99 years	Completed. TOP obtained in January 2014

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(a) *Development properties* *(continued)*

Location	*Description and use*	*Land area (square metre)*	*Gross floor area (square metre)*	*Tenure*	*Stage of completion*
World Class Developments (City Central) Pte. Ltd.					
8 Bassein Road	Residential units	1,564	4,817	Freehold	99% completed, expected completion in 2015
World Class Developments (North) Pte. Ltd.					
The Hillford Lot 4284T at Jalan Jurong Kechil	Residential/ commercial units	10,171	15,663	60 years	18% completed expected completion in 2017
Bayfront Ventures Pte. Ltd.					
CityGate 371 Beach Road Singapore^	Proposed development of commercial and residential units	7,269	39,616	99 years	Launched in July 2014, foundation work has not commenced, expected completion in 2018
Bayfront Realty Pte. Ltd.					
Urban Vista Lot 10765A MK27 at Tanah Merah Kechil Link^	Residential/ commercial units	13,999	42,271	99 years	66.48% completed, expected completion in 2015
WCL-King (VIC) Pty. Ltd.					
383 King Street, Melbourne, Victoria, Australia	Mixed-development	2,206	Not Applicable	Freehold	Sold subsequent to 31 December 2014

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(a) *Development properties* *(continued)*

Location	*Description and use*	*Land area (square metre)*	*Gross floor area (square metre)*	*Tenure*	*Stage of completion*
WCL (CNS) CBD Pty. Ltd.					
17 Hartley Street and 6-8 Kenny Street, Cairns, Queensland, Australia	Mixed-development	16,351	88,295	Freehold	Planning
WCL-Southbank (VIC) Pty. Ltd.					
66-68 & 70 Southbank Boulevard; 115-131 City Road, Melbourne, Victoria, Australia	Residential	2,642	140,000	Freehold	Launched in November 2014, foundation work has not commenced
WCL-A Beckett (VIC) Pty. Ltd.					
54-64 A'Beckett Street, Melbourne, Victoria, Australia	Mixed-development	1,296	46,600	Freehold	Planning
WCL-Central Park (QLD) Pty. Ltd.					
81-83 Spence Street and 112-114 Bunda Street, Cairns, Queensland, Australia	Mixed-development	25,884	130,000	Freehold	Planning
WCL-Cairns (QLD) Pty. Ltd.					
Lot 9, 10, 11, 13, 14, 15, 16, 17, 19, 21, 23 and 25, Moore Road, Kewarra Beach, Cairns Queensland, Australia	Residential	5,861	2,446	Freehold	Construction commenced in June 2014

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(a) *Development properties* *(continued)*

Location	*Description and use*	*Land area (square metre)*	*Gross floor area (square metre)*	*Tenure*	*Stage of completion*
WCL (QLD) Albert St Pty. Ltd.					
30 Albert Street & 131A Margaret Street, Brisbane, Queensland, Australia	Mixed-development	2,007	89,211	Freehold	Planning
WCL (QLD) Margaret St Pty. Ltd.					
240 Margaret Street, Brisbane, Queensland, Australia	Mixed-development	1,715	75,829	Freehold	Planning
World Class Land (Georgetown) Sdn. Bhd.					
134, 136, 138, 140, 142, 144, 146, 148, 150, 154 & 156 Jalan Pintal Tali, Georgetown, Penang, Malaysia	Mixed-development	1,085	*	Freehold	Planning
69, 71, 73, 75, 77, 79 & 81 Jalan Sri Bahari, Georgetown, Penang, Malaysia	Mixed-development	846	*	Freehold	Planning
WCL (Magazine) Sdn. Bhd.					
237, 239, 241 & 243 Jalan Magazine and 2-G, 2-H & 2-I Jalan Gurdwara, Georgetown, Penang, Malaysia	Mixed-development	646	*	Freehold	Planning

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(a) *Development properties* *(continued)*

Location	*Description and use*	*Land area (square metre)*	*Gross floor area (square metre)*	*Tenure*	*Stage of completion*
WCL (Macallum) Sdn. Bhd.					
170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194 & 196 Jalan C.Y. Choy and 1, 3, 5 & 7 Lebuh Macallum, Georgetown, Penang, Malaysia	Mixed-development	2,704	*	Freehold	Planning

^ *The Group's share of development properties using proportionate consolidation method*

* *The Group is in the process of determining the gross floor area for development of these projects as they are still in a preliminary planning stage*

The following table provides information about agreements that are in progress at the end of the reporting period whose revenue are recognised on a percentage of completion basis:

	Group	
	2014 $'000	*2013 $'000*
Aggregate costs incurred and recognised to-date	439,954	241,888
Attributable profits recognised to date	200,033	144,019
Development properties recognised as an expense in the consolidated statement of comprehensive income	198,066	146,856

19. DEVELOPMENT PROPERTIES/PROPERTY HELD FOR SALE *(continued)*

(b) *Property held for sale*

	Group 2014 $'000	Group 2013 $'000
At cost		
At 1 January	–	6,382
Transfer from development properties	8,565	–
	8,565	6,382
Properties sold during the year	–	(6,382)
At 31 December	8,565	–

Details of the property held for sale by the Group is as follows:

Location	*Description and use*	*Land area (square metre)*	*Gross floor area (square metre)*	*Tenure*	*Stage of completion*
Casa Palmera Lot 1397W MK23 at Lorong Melayu, Singapore	Landed residential units	856	743	Freehold	Construction completed

As at 31 December 2014, the property held for sale with a carrying value of $8,565,000 (2013: $Nil) is pledged to bank as security for term loan facilities granted (Note 25).

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade and other receivables (current)					
Trade receivables		12,291	1,852	16	–
Other debtors		4,962	1,087	1	–
Deposits		10,206	4,766	17	60
Loans to customers		191,241	180,763	–	–
Interest receivable on loans to customers		6,203	6,000	–	–
		224,903	194,468	34	60
Other receivables (non-current)					
Deposits		3,605	5,129	49	–
Total trade and other receivables (current and non-current)		228,508	199,597	83	60
Add:					
Due from subsidiaries (non-trade)		–	–	570,290	368,697
Due from an affiliated company (non-trade)		2,752	3,486	–	–
Due from associates (non-trade)		17,160	32,741	–	–
Cash and bank balances	23	83,619	67,461	3,640	2,027
Total loans and receivables		332,039	303,285	574,013	370,784

Trade and other receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Loans to customers are loans which are interest bearing at 1.00% for the first month and 1.50% for the subsequent 5 months (2013: 1.00% for the first month and 1.50% for the subsequent 5 months). The quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group.

A floating charge has been placed on trade and other receivables with a carrying value of $107,757,000 (2013: $147,290,000) as security for bank borrowings (Note 25).

20. TRADE AND OTHER RECEIVABLES *(continued)*

Receivables that are impaired

The Group's trade and other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2014	2013
	$'000	$'000
Trade and other receivables – nominal amounts	1,870	3,727
Less: Allowance for impairment	(879)	(788)
	991	2,939
Movement in allowance accounts:		
At 1 January	788	801
Charge for the year	137	–
Written-back	(46)	(13)
At 31 December	879	788

Receivables that are past due

The Group has no receivables that are past due as at 31 December 2014 and 2013.

21. PREPAID RENT

	Group	
	2014	2013
	$'000	$'000
At cost	1,323	1,136
Less: Accumulated amortisation	(1,016)	(614)
	307	522
Current portion	212	379
Non-current portion	95	143
	307	522

Movement in accumulated amortisation during the year is as follows:

	Group	
	2014	2013
	$'000	$'000
Balance at 1 January	614	235
Amortisation for the year	402	379
Balance at 31 December	1,016	614

Prepaid rent relates to payments for assignments of operating leases. It is amortised over the balance lease period if new leases are entered into upon the assignments or the expected balance lease period of the leases if no new leases are entered into upon the assignments, subject to a maximum of 3 years period.

22. DUE FROM/(TO) SUBSIDIARIES, AN AFFILIATED COMPANY AND ASSOCIATES

The amounts due from/(to) subsidiaries and associates are unsecured, receivable/repayable on demand and are to be settled in cash. These amounts are non-interest bearing except for an amount due from subsidiaries of $523,186,000 (2013: $128,944,000) which bear interest ranging from 1.75% to 5.50% (2013: 1.75% to 5.00%) per annum.

Amount due from an affiliated company

From 18 December 2008, the Group extended a loan to an affiliated company. Under the terms of the loan agreement, the affiliated company is liable to pay interest computed based on the aggregate of the US Federal Rate and a fixed rate of 5.25% per annum on the loan amount extended by the Group. The amount due from an affiliated company is unsecured and receivable on demand.

During the financial year ended 31 December 2014, the weighted average effective interest rate on the amount due from an affiliated company was 5.34% (2013: 5.36%) per annum.

Amount due to an affiliated company

Amount due to an affiliated company bears interest based on 3.8% of net profit after tax derived from the development property held under World Class Developements (Central) Pte. Ltd. and repayable within 6 months after the issuance of the Temporary Occupation Permit ("TOP").

23. CASH AND BANK BALANCES

	Group		Company	
	2014 *$'000*	*2013* *$'000*	*2014* *$'000*	*2013* *$'000*
Cash at banks and on hand	83,619	67,461	3,640	2,027

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances denominated in foreign currency at 31 December is as follows:

	Group	
	2014 *$'000*	*2013* *$'000*
United States Dollar	367	36

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2014 *$'000*	*2013* *$'000*
Cash held under "Project Account (Amendment) Rules – 1997"	42,128	40,764
Cash at banks and on hand	41,491	26,697
Cash and cash equivalents	83,619	67,461

A floating charge has been placed on cash and bank balances with a carrying value of $51,627,000 (2013: $53,561,000) as security for certain bank borrowings (Note 25).

24. TRADE AND OTHER PAYABLES

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Current:					
Trade payables		10,436	10,379	–	94
Other payables		4,666	6,120	617	263
Accrued operating expenses					
- payroll related		11,348	19,894	898	1,357
- property development		14,592	15,795	–	–
- others		17,162	10,436	7,058	5,281
Deferred revenue		545	483	–	–
Deposits received		730	307	3	3
Amounts due to directors		–	14,454	–	–
Amounts due to non-controlling shareholders of a subsidiary		2,300	2,300	–	–
		61,779	80,168	8,576	6,998
Non-current:					
Other payables					
- amount due to a non-controlling shareholder of a subsidiary		4,343	–	–	–
Total trade and other payables (current and non-current)		**66,122**	**80,168**	**8,576**	**6,998**
Add:					
Due to subsidiaries (non-trade)		–	–	78	78
Due to an affiliated company (non-trade)		–	1,310	–	–
Due to an associate (non-trade)		55,880	–	–	–
Interest-bearing loans and borrowings	25	632,888	588,627	–	–
Term notes	26	482,500	250,125	495,000	250,125
Less:					
Accrued operating expenses					
- payroll related		(819)	(730)	(119)	(101)
Deferred revenue		(545)	(483)	–	–
Total financial liabilities carried at amortised cost		1,236,026	919,017	503,535	257,100

24. TRADE AND OTHER PAYABLES *(continued)*

Trade and other payables are unsecured, non-interest bearing and repayment is based on payment terms and conditions agreed.

Related party balances

The amounts due to directors are unsecured, interest free, repayable upon demand and are to be settled in cash.

The current amounts due to non-controlling shareholders of a subsidiary are unsecured, interest-free, repayable upon completion of the Group's 8 Bassein Road project and are to be settled in cash.

The non-current amount due to a non-controlling shareholder of a subsidiary is unsecured, interest-free and not expected to be repaid in the next 12 months. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As the amount forms, in substance, part of the net investment of the non-controlling shareholder in the subsidiary, it is stated at cost.

The following foreign currency denominated amounts which differ from the functional currency of the companies within the Group included in trade and other payables are as follows:

	Group 2014 $'000	Group 2013 $'000
United States Dollar	3,966	4,266
Hong Kong Dollar	1,022	789
Others	288	204

25. INTEREST-BEARING LOANS AND BORROWINGS

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Secured borrowings					
Current					
Obligations under finance leases	31(d)	–	10	–	–
Bank borrowings		131,709	101,513	–	–
Term loans		91,890	71,789	–	–
		223,599	173,312	–	–
Non-current					
Term loans		409,289	415,315	–	–
		632,888	588,627	–	–
Add:					
Term notes	26	482,500	250,125	495,000	250,125
Total loans and borrowings		1,115,388	838,752	495,000	250,125

(a) ***Details of securities granted for the secured borrowings are as follows:***

Subsidiaries/Joint operations

Interest-bearing loans and borrowings comprise bank borrowings of $131,709,000 (2013: $101,513,000), term loans of $140,656,000 (2013: $18,608,000), land loans of $359,295,000 (2013: $462,596,000) and construction loans of $1,228,000 (2013: $5,900,000).

(i) Bank borrowings of $78,709,000 (2013: $74,013,000) are secured by way of a fixed and floating charge on all assets of certain subsidiaries and corporate guarantee by the Company.

25. INTEREST-BEARING LOANS AND BORROWINGS *(continued)*

(a) ***Details of securities granted for the secured borrowings are as follows*** *(continued)****:***

Subsidiaries/Joint operations (continued)

(ii) The term loan of $3,875,000 (2013: $7,750,000) is secured by way of a fixed and floating charge on all assets of a subsidiary and corporate guarantee by the Company. This loan bears interest ranging from 1.89% to 2.07% (2013: 1.88% to 2.25%) per annum and is repayable in two (2013: four) semi-annual instalments, comprising of $1,937,500 per instalment and the final instalment in September 2015.

(iii) Revolving loans of $53,000,000 (2013: $27,500,000) bear interest ranging from 1.36% to 1.91% (2013: 1.50% to 1.67%) and are secured by way of corporate guarantee by the Company. These loans are repayable on demand.

(iv) The term loans of $10,125,000 (2013: $10,858,000) bear interest ranging from 1.35% to 3.40% (2013: 1.35% to 2.29%) per annum and are secured by way of legal mortgage over the leasehold properties. These loans are repayable in 2020, 2032 and 2033.

(v) The land loans, construction loans and term loans of $487,179,000 (2013: $468,496,000) bear interest ranging from 1.78% to 4.59% (2013: 1.77% to 2.64%) per annum and are secured by way of:

- legal mortgages over subsidiaries' development properties (Note 19(a));
- legal assignments of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of the development properties or units therein which includes the assignment of all the sale and rental proceeds;
- legal assignments of subsidiaries' interest in the Project Account and Rental Account, and a charge over such sales proceeds and rentals and all sums in credit in such accounts; and
- a corporate guarantee by the Company.

25. INTEREST-BEARING LOANS AND BORROWINGS *(continued)*

(a) ***Details of securities granted for the secured borrowings are as follows*** *(continued)*:

Subsidiaries/Joint operations (continued)

The loans relating to the respective development projects in Singapore are repayable in one lump sum within 30 months from the date of the loan agreement or 6 months after the issuance of TOP, whichever is earlier.

The loans relating to the respective development projects outside Singapore are repayable via monthly instalments or one lump sum by their respective maturity dates.

The loans include financial covenants which require the subsidiaries/joint operations to achieve certain cumulative sales targets and to maintain aggregate outstanding debt secured against the properties not exceeding 57.70% to 80.00% of the security value of the relevant development properties at all times.

(b) ***Maturity of borrowings***

Loans due after one year are estimated to be repayable as follows:

	Group	
	2014 $'000	2013 $'000
Years after end of reporting period:		
After one year but within two years	190,450	4,621
After two years but within five years	211,725	402,819
After five years	7,114	7,875
	409,289	415,315

26. TERM NOTES

			Aggregate principal amount outstanding			
			Group		Company	
Date issued	Interest rate %	Maturity dates	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Current						
25 September 2012 [1]	4.50 to 4.65	25 September 2014	–	65,000	–	65,000
27 July 2012 [1]	5.00 to 5.20	27 July 2015	35,000	–	35,000	–
7 September 2012 [1]	5.00 to 5.20	27 July 2015	50,000	–	50,000	–
			85,000	65,000	85,000	65,000
Non-current						
27 July 2012 [1]	5.00 to 5.20	27 July 2015	–	35,000	–	35,000
7 September 2012 [1]	5.00 to 5.20	27 July 2015	–	50,000	–	50,000
22 July 2013 [2]	5.00	22 July 2016	50,000	50,000	50,000	50,000
29 July 2013 [2]	5.00	22 July 2016	25,000	25,000	25,000	25,000
1 October 2013 [2]	5.00	22 July 2016	25,000	25,125	25,000	25,125
23 January 2014 [2]	4.50	23 January 2017	80,000	–	80,000	–
12 June 2014 [2]	5.05	12 June 2019	82,000	–	85,000	–
3 July 2014 [2]	5.05	12 June 2019	45,000	–	45,000	–
27 November 2014 [2]	5.50	27 November 2018	90,500	–	100,000	–
			397,500	185,125	410,000	185,125
Total term notes			482,500	250,125	495,000	250,125

Note:

(1) During the financial year ended 31 December 2012, unsecured term notes issued by the Group and the Company under the Multicurrency Medium Term Note Programme amounted to $150,000,000.

(2) During the financial year ended 31 December 2014, unsecured term notes issued by the Group and the Company under the Multicurrency Debt Issuance Programme (''MDI Programme") amounted to $310,000,000 (2013: $100,125,000). Under the MDI Programme, the Group and the Company may issue both multicurrency medium term notes and perpetual securities. As at 31 December 2014 and 2013, no perpetual securities have been issued.

Interest is payable semi-annually. Unless previously redeemed or purchased and cancelled, the term notes are redeemable at the principal amounts on their respective maturity dates.

27. INCOME TAX EXPENSE

(a) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group 2014 $'000	Group 2013 $'000
Statement of profit and loss		
Current income tax		
– Current income taxation	21,779	2,067
– (Over)/under provision in respect of previous years	(776)	317
	21,003	2,384
Deferred income tax		
– Origination and reversal of temporary differences	(13,053)	13,146
– Under provision in respect of previous years	88	–
	(12,965)	13,146
Income tax expense recognised in profit or loss	8,038	15,530

27. INCOME TAX EXPENSE *(continued)*

(b) *Relationship between tax expense and profit before tax*

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	Group 2014 $'000	Group 2013 $'000
Profit before tax	61,669	100,996
Tax at the domestic rates applicable to profits in the countries where the Group operates	9,641	17,169
Adjustments:		
– Non-deductible expenses	7,600	1,833
– Income not subject to taxation	(3,624)	(125)
– Deferred tax assets not recognised	3,682	3,010
– Effect of partial tax exemption and tax relief	(1,258)	(1,079)
– (Over)/under provision in respect of previous years	(688)	317
– Benefits from previously unrecognised tax losses	(6,560)	(35)
– Share of results of associates	(827)	(5,283)
– Others	72	(277)
Income tax expense recognised in profit or loss	8,038	15,530

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(c) *Deferred income tax*

	Group 2014 $'000	Group 2013 $'000
Balance at 1 January	20,022	6,876
Tax (credited)/charged to profit or loss	(12,965)	13,146
Balance at 31 December	7,057	20,022

27. INCOME TAX EXPENSE *(continued)*

(c) *Deferred income tax* *(continued)*

Deferred income tax as at 31 December relates to the following:

Deferred tax liabilities, net

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Differences in depreciation for tax purposes	208	109	–	–
Attributable profits from development properties	11,181	24,219	–	–
Uncompleted project expenses	(2,332)	(2,596)	–	–
Revaluations to fair value:				
– Investment properties	5,102	–	–	–
Provisions	(44)	(19)	–	–
Unutilised tax losses	(22)	–	–	–
Others	(24)	1	–	–
	14,069	21,714	–	–

Deferred tax assets, net

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Differences in depreciation for tax purposes	(153)	191	12	33
Uncompleted project expenses	(428)	(712)	–	–
Provisions	(154)	(81)	(20)	(17)
Unutilised tax losses	(6,227)	(1,489)	(247)	(184)
Unutilised capital allowance	(33)	–	(33)	–
Attributable profits from development properties	–	395	–	–
Others	(17)	4	–	–
	(7,012)	(1,692)	(288)	(168)

27. INCOME TAX EXPENSE *(continued)*

(c) *Deferred income tax* *(continued)*

At the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances of approximately $14,537,000 (2013: $13,259,000) and $3,630,000 (2013: $3,477,000) that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

<u>Tax consequences of proposed dividends</u>

There are no income tax consequences (2013: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

28. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES

(a) *Share capital*

	Group and Company			
	2014		2013	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 January	1,745,098	152,611	1,546,064	76,801
Scrip dividend scheme [(1),(2)]	117,563	49,568	136,383	52,113
Rights issue [(3)]	–	–	62,651	23,807
Share issuance expenses	–	–	–	(110)
At 31 December	1,862,661	202,179	1,745,098	152,611

28. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES *(continued)*

(a) *Share capital* *(continued)*

Note:

(1) On 26 June 2014, the Company issued 77,905,132 new shares at an issue price of $0.425 and on 13 October 2014, the Company issued 39,657,890 new shares at an issue price of $0.415 to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

(2) On 23 January 2013, the Company issued 27,181,008 new shares at an issue price of $0.39, on 4 April 2013, the Company issued 56,115,148 new shares at an issue price of $0.385 and on 6 November 2013, the Company issued 53,086,553 new shares at an issue price of $0.375 to eligible Shareholders who have elected to participate in the Company's scrip dividend scheme.

(3) On 27 March 2013, the Company allotted and issued 62,651,303 rights shares at $0.38 per share for valid acceptances received.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(b) *Treasury shares*

	Group and Company			
	2014		*2013*	
	No. of shares '000	*$'000*	*No. of shares '000*	*$'000*
At 1 January	5,950	460	6,963	538
Share buyback through open market	5,044	2,122	–	–
Reissued pursuant to Share Award Scheme	(1,411)	(109)	(1,013)	(78)
At 31 December	9,583	2,473	5,950	460

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The Company reissued 1,411,000 (2013: 1,013,000) treasury shares pursuant to its employee share award scheme, the Aspial Share Award Scheme, at a weighted average exercise price of $0.445 (2013: $0.415) each.

28. SHARE CAPITAL, TREASURY SHARES AND OTHER RESERVES *(continued)*

(c) *Other reserves*

	Group		*Company*	
	2014 $'000	*2013 $'000*	*2014 $'000*	*2013 $'000*
Gain on reissuance of treasury shares	1,361	842	1,361	842
Premium on dilution of interests in subsidiary	3,919	3,919	–	–
Foreign currency translation reserve	(2,286)	–	–	–
Premium paid on acquisition of NCI	(2,290)	–	–	–
Fair value adjustment reserve	(748)	–	1,042	–
	(44)	4,761	2,403	842

<u>Gain on reissuance of treasury shares</u>
This represents the gain arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

<u>Premium on dilution of interests in subsidiary</u>
This represents the difference between the consideration received and the carrying value of non-controlling interests adjusted upon dilution of interests in subsidiary.

<u>Premium paid on acquisition of NCI</u>
This represents the difference between the consideration paid and the carrying value of non-controlling interests adjusted upon acquisition of interests in subsidiary.

<u>Foreign currency translation reserve</u>
The foreign currency translation reserve represents 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.

<u>Fair value adjustment reserve</u>
Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

29. DIVIDENDS

	Group
	$'000
Dividends on ordinary shares declared and payable/paid during the year:	
Financial year ended 31 December 2014	
– Final exempt (one-tier) dividend for FY2013: 2.00 cents per share on 1,739,148,563 shares	34,783
– Interim exempt (one-tier) dividend for FY2014: 1.00 cent per share on 1,818,455,695 shares	18,184
	52,967
Financial year ended 31 December 2013	
– Final exempt (one-tier) dividend for FY2012: 1.80 cents per share on 1,628,933,862 shares	29,321
– First interim exempt (one-tier) dividend for FY2013: 1.50 cents per share on 1,686,062,010 shares	25,291
	54,612

	Group	
	2014	2013
	$'000	$'000
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at AGM:		
– Final exempt (one-tier) dividend for FY2014: 0.80 cents per share on 1,853,078,585 shares	14,825	–
– Final exempt (one-tier) dividend for FY2013: 2.00 cents per share on 1,739,148,563 shares	–	34,783

30. RELATED PARTY TRANSACTIONS

(a) ***Sale and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2014	2013
	$'000	$'000
Construction expenses paid to an associate	14,656	41,549
Showflat expenses paid to an associate	1,356	1,119
Sales of properties to directors of the Company/subsidiaries of the Group	6,011	–
Sales of properties to a director-related company	5,002	–
Interest payable to an affiliated company	56	56
Interest receivable from an affiliated company	54	54
Rental paid to a director-related company	372	372

(b) ***Commitments with related parties***

WCS Engineering Construction Pte. Ltd. ("WCS")

As at 31 December 2014, the Group has entered into contractual agreements with WCS, an associate of the Group, for the construction of development properties. The total capital expenditure contracted for with WCS as at the end of the reporting period but not recognised in the financial statements amounted to $32,767,000.

30. RELATED PARTY TRANSACTIONS *(continued)*

(c) *Compensation of key management personnel*

	Group 2014 $'000	Group 2013 $'000
Short-term employee benefits	7,522	15,597
Central Provident Fund contributions	148	147
Share-based payments	307	184
Total compensation paid to key management personnel	7,977	15,928
Comprise amounts paid to:		
Directors of the Company	3,582	7,876
Directors of the subsidiaries	2,426	6,293
Other key management personnel	1,969	1,759
	7,977	15,928

31. COMMITMENTS

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group 2014 $'000	Group 2013 $'000
Capital commitments in respect of properties acquired	–	91,288
Capital commitments in respect of land acquired for development	–	23,002
Capital commitments in respect of property development expenditure	133,693	51,886
	133,693	166,176

(b) *Operating lease commitments - As lessor*

The Group has entered into commercial property leases on its leasehold building and standing property at the development site acquired for development properties. The non-cancellable leases on its standing property have remaining lease terms of between one to three years.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group 2014 $'000	Group 2013 $'000
Not later than one year	5,286	7,518
Later than one year but not later than five years	2,701	3,593
	7,987	11,111

31. COMMITMENTS *(continued)*

(c) ***Operating lease commitments – As lessee***

As at the end of the reporting period, the Group and the Company had lease commitments in respect of office and retail outlet premises. Certain of the leases contain escalation clauses and provide for contingent rentals based on a percentage of sales derived. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income for the financial year ended 31 December 2014 amounted to $36,866,000 (2013: $39,179,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2014 $'000	2013 $'000
Not later than one year	25,029	28,766
Later than one year but not later than five years	15,597	18,482
	40,626	47,248

31. COMMITMENTS *(continued)*

(d) ***Finance lease commitments***

The Group had finance leases for certain items of property, plant and equipment (Note 10). The effective interest rate on the leases was 3.50% per annum for the financial year ended 31 December 2013. These leases have terms of renewal but no purchase options and escalation clauses. There are no restrictions placed upon the Group by entering into these leases. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum lease payments 2014 $'000	Present value of payments 2014 $'000	Minimum lease payments 2013 $'000	Present value of payments 2013 $'000
Not later than one year	–	–	11	10
Later than one year but not later than five years	–	–	–	–
Total minimum lease payments	–	–	11	10
Less: Amounts representing finance charges	–	–	(1)	–
Present value of minimum lease payments	–	–	10	10

32. CONTINGENCIES

Guarantees

The Group has provided the following guarantees at the end of the reporting period:

- It has guaranteed its interest in its share of the bank loans of joint operations amounting to $189,700,000 (2013: $212,150,000).

- It has guaranteed part of the loans and borrowings of the associates to a maximum amount of $46,708,000 (2013: $138,860,000), which it is severally liable for in the event of default by the associates.

The Company has provided corporate guarantees to banks for an aggregate of $679,594,000 (2013: $656,623,000) in respect of bank borrowings drawn down by certain subsidiaries, joint operations and associates (Note 25).

33. SEGMENT INFORMATION

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:

(a) Manufacture and sale of jewellery;
(b) Property development business; and
(c) Financial service business

Other operations include rental of properties and provision of other support services.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax liabilities, corporate assets, liabilities and expenses.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Capital expenditure comprises additions to property, plant and equipment.

As the business activities of the Group are mainly conducted in Singapore, group reporting format by geographical segment is not presented.

33. SEGMENT INFORMATION *(continued)*

2014	Jewellery $'000	Property development $'000	Financial service $'000	Others $'000	Elimination $'000	Group $'000	Note
Revenue	151,300	254,083	104,678	–	–	510,061	
Intersegment revenue	306	–	4,927	408	(5,641)	–	A
Results							
Segment results	5,551	66,442	4,649	(752)	(619)	75,271	
Unallocated expenses	–	–	–	–	–	(248)	
Interest income	107	8,407	–	17,972	(22,720)	3,766	
Finance costs	(1,343)	(10,905)	(2,845)	(22,193)	20,166	(17,120)	
Profit before tax from operations	4,315	63,944	1,804	(4,973)		61,669	
Segment assets	132,125	1,114,693	246,070	820,410	(674,084)	1,639,214	B
Unallocated assets						7,047	
Total assets						1,646,261	
Segment liabilities	82,337	928,086	181,445	636,441	(590,919)	1,237,390	C
Unallocated liabilities						39,126	
Total liabilities						1,276,516	
Capital expenditure	2,612	166	2,148	275	–	5,201	
Depreciation and amortisation	2,781	138	1,855	313	49	5,136	
Other significant non-cash expenses	440	–	251	–	–	691	D

33. SEGMENT INFORMATION *(continued)*

2013	Jewellery $'000	Property development $'000	Financial service $'000	Others $'000	Elimination $'000	Group $'000	Note
Revenue	169,564	241,845	103,853	–	–	515,262	
Intersegment revenue	548	–	9,245	408	(10,201)	–	A
Results							
Segment results	5,924	104,388	4,923	28,060	(29,307)	113,988	
Unallocated expenses	–	–	–	–	–	(148)	
Interest income	109	175	–	3,861	(3,916)	229	
Finance costs	(1,581)	(1,759)	(2,802)	(9,438)	2,507	(13,073)	
Profit before tax from operations	4,452	102,804	2,121	22,483		100,996	
Segment assets	132,285	697,007	228,899	421,193	(204,333)	1,275,051	B
Unallocated assets						532	
Total assets						1,275,583	
Segment liabilities	87,498	517,978	163,915	272,432	(121,594)	920,229	C
Unallocated liabilities						25,073	
Total liabilities						945,302	
Capital expenditure	3,394	46	1,560	185	–	5,185	
Depreciation and amortisation	3,173	133	1,560	328	48	5,242	
Other significant non-cash expenses	482	–	547	–	–	1,029	D

33. SEGMENT INFORMATION *(continued)*

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014 *$'000*	*2013* *$'000*
Inter-segment assets	674,084	204,333

C The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014 *$'000*	*2013* *$'000*
Inter-segment liabilities	590,919	121,594

D Other non-cash expenses consist of property, plant and equipment written-off, allowance for doubtful debts and allowance for inventory obsolescence as presented in the respective notes to the financial statements.

	2014 *$'000*	*2013* *$'000*
Property, plant and equipment written-off	383	469
Write down of inventories	217	560
Allowance for doubtful debts, net	91	–
	691	1,029

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, interest rate risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Finance Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities for its business other than the property development business. As for the property development business there is no liquidity risk as loans and borrowings are repayable upon TOP whereupon receipts exceed the repayment of loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is that not more than 95% (2013: 95%) of loans and borrowings should mature in the next one year, and that to maintain sufficient liquid financial assets and stand-by credit facilities.

At the end of the reporting period excluding the property development business, approximately 20% (2013: 20%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. 17% (2013: 26%) of the Company's loans and borrowings will mature in less than one year at the end of the reporting period.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) ***Liquidity risk*** *(continued)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2014	*1 year or less $'000*	*1 to 5 years $'000*	*Over 5 years $'000*	*Total $'000*
Group				
Financial assets:				
Investment securities	103,597	30,559	–	134,156
Trade and other receivables	224,903	3,605	–	228,508
Due from an affiliated company (non-trade)	2,752	–	–	2,752
Due from associates (non-trade)	17,160	–	–	17,160
Cash and bank balances	83,619	–	–	83,619
Total undiscounted financial assets	432,031	34,164	–	466,195
Financial liabilities:				
Trade and other payables	60,415	4,343	–	64,758
Due to an associate (non-trade)	55,880	–	–	55,880
Interest-bearing loans and borrowings	232,625	414,868	13,384	660,877
Term notes	107,522	440,750	–	548,272
Total undiscounted financial liabilities	456,442	859,961	13,384	1,329,787
Total net undiscounted financial liabilities	24,411	825,797	13,384	863,592

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) ***Liquidity risk*** *(continued)*

2013	*1 year or less $'000*	*1 to 5 years $'000*	*Over 5 years $'000*	*Total $'000*
Group				
Financial assets:				
Investment securities	–	33	–	33
Trade and other receivables	194,468	5,129	–	199,597
Due from an affiliated company (non-trade)	3,486	–	–	3,486
Due from associates (non-trade)	32,741	–	–	32,741
Cash and bank balances	67,461	–	–	67,461
Total undiscounted financial assets	298,156	5,162	–	303,318
Financial liabilities:				
Trade and other payables	78,955	–	–	78,955
Due to an affiliated company (non-trade)	1,310	–	–	1,310
Interest-bearing loans and borrowings	187,773	647,434	7,502	842,709
Term notes	76,639	195,313	–	271,952
Total undiscounted financial liabilities	344,677	842,747	7,502	1,194,926
Total net undiscounted financial liabilities	46,521	837,585	7,502	891,608

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) *Liquidity risk* (continued)

2014	*1 year or less $'000*	*1 to 5 years $'000*	*Total $'000*
Company			
Financial assets:			
Investment securities	–	30,536	30,536
Trade and other receivables	34	49	83
Due from subsidiaries (non-trade)	570,290	–	570,290
Cash and bank balances	3,640	–	3,640
Total undiscounted financial assets	573,964	30,585	604,549
Financial liabilities:			
Trade and other payables	8,457	–	8,457
Due to subsidiaries (non-trade)	78	–	78
Term notes	108,196	455,292	563,488
Total undiscounted financial liabilities	116,731	455,292	572,023
Total net undiscounted financial assets/(liabilities)	457,233	(424,707)	32,526

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) *Liquidity risk* (continued)

2013	*1 year or less $'000*	*1 to 5 years $'000*	*Total $'000*
Company			
Financial assets:			
Trade and other receivables	60	–	60
Due from subsidiaries (non-trade)	368,697	–	368,697
Cash and bank balances	2,027	–	2,027
Total undiscounted financial assets	370,784	–	370,784
Financial liabilities:			
Trade and other payables	6,897	–	6,897
Due to subsidiaries (non-trade)	78	–	78
Term notes	76,639	195,313	271,952
Total undiscounted financial liabilities	83,614	195,313	278,927
Total net undiscounted financial assets/(liabilities)	287,170	(195,313)	91,857

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Other than the fixed rate term notes, the Group's loans and borrowings are at floating rates which are contractually repriced at intervals of less than 6 months from the end of the reporting period.

The Group's policy is to manage interest cost by using a mix of fixed and floating rate debts. At the end of the reporting period, term notes of $482,500,000 (2013: $250,125,000) are at fixed rates of interest.

Sensitivity analysis for interest rate risk

For the jewellery retail business, at the end of the reporting period, if SGD interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $130,000 (2013: $146,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

For the property development business, at the end of the reporting period, if SGD interest rates had been 100 (2013: 100) basis points lower/higher with all other variables held constant, the Group's profit net of tax and development properties would have been $249,000 (2013: $332,000) higher/lower and $6,471,000 (2013: $6,407,000) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

For the financial service business, at the end of the reporting period, if SGD interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $264,000 (2013: $307,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

For the Group's other businesses, at the end of the reporting period, if SGD interest rates had been 50 (2013: 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $210,000 (2013: $45,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) *Foreign currency risk*

The jewellery business has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"), Hong Kong Dollar ("HKD") and Euro ("EUR"). Approximately 45% (2013: 45%) of the jewellery business purchases are denominated in foreign currencies. The Group's trade payable balances at the end of the reporting period have similar exposures.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Group requires operating entities with major foreign currency purchases to use forward currency contracts to eliminate the currency exposures for which payment is anticipated more than two months after the Group has entered into a firm commitment for a purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The Group did not hedge any of its foreign currency purchases during the financial years ended 31 December 2014 and 31 December 2013. There was no outstanding forward currency contract as at 31 December 2014.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and Australia. The Group's net investments in Malaysia and Australia are not hedged as currency positions in Malaysia Ringgit and Australia Dollar are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, HKD and EUR exchange rates (against SGD), with all other variables held constant.

	2014 *Profit net of tax* *$'000* *lower/higher*	*2013* *Profit net of tax* *$'000* *lower/higher*
USD - strengthened/weakened 5% (2013: 5%)	180	175
HKD- strengthened/weakened 5% (2013: 5%)	51	33
EUR - strengthened/weakened 5% (2013: 5%)	10	4

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and cash and bank balances. No other financial asset carries a significant exposure to credit risk.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group focuses on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. As at 31 December 2014, there was no significant concentration of credit risk. The Group does not apply hedge accounting.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20.

Financial assets that neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20 (Trade and other receivables).

35. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical assets (Level 1) $'000	*Significant observable inputs other than quoted prices (Level 2) $'000*	*Significant unobservable inputs (Level 3) $'000*	*Total $'000*
Group				
2014				
Assets measured at fair value				
Financial assets				
Available-for-sale financial assets (Note 17)				
Quoted debt securities	103,597	–	–	103,597
Quoted equity securities	30,536	–	–	30,536
Financial assets as at 31 December 2014	134,133	–	–	134,133
Non-financial assets				
Investment properties (Note 11)				
Commercial	–	45,700	–	45,700

(c) ***Level 2 fair value measurements***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(c) ***Level 2 fair value measurements*** *(continued)*

Investment properties

The valuation of investment properties is based on the valuation report prepared by Jones Lang LaSalle Property Consultant Pte. Ltd., an independent valuer. The fair value of the investment properties is determined by reference to market based evidence. This means that the valuation performed by the valuer is based on direct comparison with recent transactions of comparable properties within the development and in the vicinity, adjusted for any difference in the nature, location or condition of the specific property.

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 December 2014 but for which fair value is disclosed:

	Quoted prices in active markets for identical assets (Level 1) $'000	*Significant observable inputs other than quoted prices (Level 2) $'000*	*Significant unobservable inputs (Level 3) $'000*	*Total $'000*	*Carrying amount $'000*
Group					
2014					
Assets:					
Non-current:					
Other receivables	–	–	3,502	3,502	3,605
Liabilities:					
Current:					
Term notes	–	85,255	–	85,255	85,000
Non-current:					
Term notes	–	392,260	–	392,260	397,500

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(d) *Assets and liabilities not carried at fair value but for which fair value is disclosed* (continued)

	Quoted prices in active markets for identical assets (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000	Carrying amount $'000
Group					
2013					
Assets:					
Non-current:					
Other receivables	–	–	5,069	5,069	5,129
Liabilities:					
Current:					
Term notes	–	65,790	–	65,790	65,000
Non-current:					
Term notes	–	189,900	–	189,900	185,125

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(d) *Assets and liabilities not carried at fair value but for which fair value is disclosed* (continued)

	Quoted prices in active markets for identical assets (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000	Carrying amount $'000
Company					
2014					
Assets:					
Non-current:					
Investment in a quoted subsidiary	104,924	–	–	104,924	48,000
Liabilities:					
Current:					
Term notes	–	85,255	–	85,255	85,000
Non-current:					
Term notes	–	404,545	–	404,545	410,000

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(d) ***Assets and liabilities not carried at fair value but for which fair value is disclosed*** *(continued)*

	Quoted prices in active markets for identical assets (Level 1)	*Significant observable inputs other than quoted prices (Level 2)*	*Significant unobservable inputs (Level 3)*	*Total*	*Carrying amount*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Company					
2013					
Assets:					
Non-current:					
Investment in a quoted subsidiary	131,155	–	–	131,155	48,000
Liabilities:					
Current:					
Term notes	–	65,790	–	65,790	65,000
Non-current:					
Term notes	–	189,900	–	189,900	185,125

Determination of fair value

Other receivables
The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

Term notes
The fair values as disclosed in the table above are determined directly by reference to the bid price quotation of the term notes at the end of the reporting period.

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value***

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Carrying amount		*Fair value*	
	2014	*2013*	*2014*	*2013*
	$'000	*$'000*	*$'000*	*$'000*
Group				
Financial assets:				
Non-current:				
Unquoted equity shares, at cost	23	33	*	*
Other receivables	3,605	5,129	3,502	5,069
Financial liabilities:				
Current:				
Term notes	85,000	65,000	85,255	65,790
Non-current:				
Other payables	4,343	–	4,270	–
Term notes	397,500	185,125	392,260	189,900
Company				
Financial assets:				
Non-current:				
Other receivables	49	–	48	–
Financial liabilities:				
Current:				
Term notes	85,000	65,000	85,255	65,790
Non-current:				
Term notes	410,000	185,125	404,545	189,900

35. FAIR VALUE OF ASSETS AND LIABILITIES *(continued)*

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value*** *(continued)*

* Investment in unquoted equity shares carried at cost

Fair value information has not been disclosed for the Group's investments in unquoted equity shares that are carried at cost because fair value cannot be measured reliably. The investee company is not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or procedures during the years ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest-bearing loans and borrowings, term notes, trade and other payables, less cash and bank balances. The gearing ratios for the jewellery segment, property development segment and financial service segment are 43% (2013: 46%), 78% (2013: 85%) and 48% (2013: 51%) respectively. Due to the nature of the business, the property development segment will generally have a higher gearing ratio than the jewellery segment. The table below shows the capital and net debt for the Group.

36. CAPITAL MANAGEMENT *(continued)*

		Group	
	Note	2014 $'000	2013 $'000
Interest-bearing loans and borrowings	25	632,888	588,627
Term notes	26	482,500	250,125
Trade and other payables	24	66,122	80,168
Less: Cash and bank balances	23	(83,619)	(67,461)
Net debt		1,097,891	851,459
Equity attributable to owners of the Company		325,358	292,509
Capital and net debt		1,423,249	1,143,968
Gearing ratio		77%	74%

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 9 January 2015, the Company entered into a joint venture agreement with Fragrance Group Limited to jointly own AF Global Pte. Ltd. ("AFG"), which will serve as a special purpose vehicle for the acquisition of LCD Global Investments Ltd. ("LCD"), a company listed on the SGX-ST.

On 12 January 2015, the Company's joint venture company, AFG, made a voluntary conditional cash offer to the shareholders of LCD at $0.33 per ordinary share. As at the date of closure of the voluntary conditional cash offer on 12 March 2015 ("acquisition date"), AFG had acquired 576,437,569 ordinary shares or 54.61% equity interest in LCD for a total cash consideration of $190,224,000.

As management is still reviewing the initial accounting for the acquisition of LCD at the time the financial statements are authorised for issue, complete disclosures in accordance with the requirements of FRS 103 Business Combinations have not been made.

On 18 February 2015, the Company's subsidiary, WCL-King (VIC) Pty. Ltd., entered into a Contract of Sale of Real Estate with an external party for the sale of 383 King Street, Melbourne, Victoria, Australia for a sale consideration of A$52,500,000. The sale is expected to be completed on 18 May 2015.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 March 2015.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Aspial Corporation Limited (the "Company") will be held at 55 Ubi Avenue 1, #07-11, Ubi 55, Singapore 408935 on Tuesday, 28 April 2015 at 3 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. (Resolution 1)

2. To declare a final dividend of 0.8 Singapore cents per ordinary share (tax-exempt one-tier) for the financial year ended 31 December 2014 (2013: 2.0 Singapore cents per ordinary share (tax-exempt one-tier)). (Resolution 2)

3. To re-elect Ms Ko Lee Meng, a Director of the Company retiring pursuant to Article 104 of the Articles of Association of the Company. (Resolution 3)

4. To re-appoint the following Directors of the Company retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company:
   [See Explanatory Note (i)]

   Mr Wong Soon Yum (Resolution 4)

   Mr Kau Jee Chu (Resolution 5)

   Mr Wong Soon Yum will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee, a member of the Remuneration Committee and Nominating Committee respectively and will be considered independent.

   Mr Kau Jee Chu will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee respectively and will be considered independent.

5. To approve the payment of Directors' fees of S$248,000 for the financial year ended 31 December 2014 (2013: S$148,000). (Resolution 6)

6. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. (Resolution 7)

7. 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 resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares** (Resolution 8)

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

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

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares,

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

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

provided that:

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

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

(a) new shares arising from the conversion or exercise of any convertible securities;
(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
(c) any subsequent bonus issue, consolidation or subdivision of shares;

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

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

9. **Renewal of Share Purchase Mandate** (Resolution 9)

That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in Appendix 1 to the Annual Report to shareholders ("Appendix 1") , in accordance with the "Guidelines on Share Purchases" set out in the Appendix 1 and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)]

10. **Authority to issue shares under the Aspial Share Award Scheme** (Resolution 10)

That the Directors be and are hereby authorised to allot and issue shares from time to time such number of fully paid-up shares as may be required to be allotted and issue pursuant to the Vesting of Awards under the Aspial Share Award Scheme and in accordance with the provisions of the Aspial Share Award Scheme, provided that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Aspial Share Award Scheme shall not exceed fifteen per centum (15%) of the issued shares in the capital of the Company from time to time.
[See Explanatory Note (iv)]

11. **Authority to issue shares under the Aspial Corporation Limited Scrip Dividend Scheme** (Resolution 11)

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the Aspial Corporation Limited Scrip Dividend Scheme from time to time in accordance with the "Terms and Conditions of the Scrip Dividend Scheme" set out in pages 17 to 22 of the Circular to Shareholders dated 21 December 2011 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)]

By Order of the Board

Lim Swee Ann
Secretary
Singapore, 10 April 2015

Explanatory notes:

(i) The effect of the Ordinary Resolutions 4 and 5, is to re-appoint a Director of the Company who is over 70 years of age and if passed, they will hold office until the next Annual General Meeting. Such re-appointment of Directors will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Chapter 50 as repealed when the Companies (Amendment) Act 2014 comes into force. The Directors will then be subject to retirement by rotation under the Company's Articles of Association.

(ii) The Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 9, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Appendix 1. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2014 are set out in greater detail in Appendix 1.

(iv) The Ordinary Resolution 10, if passed, will empower the Directors of the Company, to allot and issue shares in the Company (excluding treasury shares) of up to a number not exceeding in total fifteen per centum (15%) of the total issued shares in the capital of the Company from time to time pursuant to the vesting of Awards under the Aspial Share Award Scheme.

(v) The Ordinary Resolution 11, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the Aspial Corporation Limited Scrip Dividend Scheme.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

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

As at 16 March 2015

NO. OF ISSUE SHARES (EXCLUDING TREASURY SHARES)	:	1,853,078,585
NUMBER/PERCENTAGE OF TREASURY SHARES	:	9,583,320 (0.52%)
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS (EXCLUDING TREASURY SHARES)	:	ONE VOTE PER SHARE

Size of Shareholdings	*no. of shareholders*	*%*	*no. of shares*	*%*
1 - 99	38	2.01	1,065	0.00
100 - 1,000	96	5.08	60,245	0.00
1,001 - 10,000	438	23.19	2,146,444	0.12
10,001 - 1,000,000	1,279	67.71	87,453,351	4.72
1,000,001 & ABOVE	38	2.01	1,763,417,480	95.16
TOTAL	1,889	100.00	1,853,078,585	100.00

	Top Twenty Shareholders as at 16 March 2015	*No. of Shares*	*%*
1	MLHS HOLDINGS PTE LTD	1,092,175,496	58.94
2	KOH WEE SENG	181,793,370	9.81
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	98,804,725	5.33
4	PHILLIP SECURITIES PTE LTD	52,360,456	2.83
5	HSBC (SINGAPORE) NOMINEES PTE LTD	50,086,614	2.70
6	KOH LEE HWEE	30,888,888	1.67
7	MAYBANK KIM ENG SECURITIES PTE LTD	28,990,992	1.57
8	KO LEE MENG	26,923,657	1.45
9	SING INVESTMENTS & FINANCE NOMINEES PTE LTD	20,435,000	1.10
10	CITIBANK NOMINEES SINGAPORE PTE LTD	20,421,476	1.10
11	KOH CHONG HIM @ KO CHONG SUNG	20,263,633	1.09
12	NG SHENG TIONG	17,853,338	0.96
13	UOB KAY HIAN PTE LTD	16,029,200	0.87
14	CIMB SECURITIES (SINGAPORE) PTE LTD	15,702,040	0.85
15	TAN BOY TEE	11,854,467	0.64
16	LIM SENG KUAN	10,454,245	0.56
17	DBS NOMINEES PTE LTD	8,608,554	0.46
18	KOH TECK HOE	7,372,946	0.40
19	KOH YONG HUI, KELVIN	6,976,551	0.38
20	OCBC SECURITIES PRIVATE LTD	6,367,337	0.34
		1,724,362,985	93.05

11.50% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual SGX-ST.

	Substantial Shareholders	*Direct*	*Deemed*
1	MLHS Holdings Pte Ltd	1,092,175,496	-
2	Koh Wee Seng	337,398,500	1,097,194,355
3	Koh Lee Hwee	30,888,888	1,110,028,834
4	Ko Lee Meng	31,928,321	1,093,283,382

Notes:

1 Mr Koh Wee Seng's direct interest derived from 181,793,300 shares held in his own name and 155,605,130 shares held in the name of nominee accounts. The deemed interest derived from 1,092,175,496 shares held by MLHS Holdings Pte Ltd and 5,018,859 shares held by his spouse.

2 Ms Koh Lee Hwee's direct interest derived from 30,888,888 shares held in her own name. The deemed interest derived from 1,092,175,496 shares held by MLHS Holdings Pte Ltd and 17,853,338 shares held by her spouse.

3 Ms Ko Lee Meng's direct interest derived from 27,022,439 shares held in her own name and 4,905,882 shares held in the name of nominee account. The deemed interest derived from 1,092,175,496 shares held by MLHS Holdings Pte Ltd and 1,107,886 shares held by her spouse.

PROXY FORM

ASPIAL CORPORATION LIMITED

(COMPANY REGISTRATION NO. 197001030G)

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

IMPORTANT:

1. For investors who have used their CPF monies to buy Aspial Corporation Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

being a member/members of Aspial Corporation Limited (the "Company"), hereby appoint:

Name	*NRIC/Passport No.*	*Proportion of Shareholdings*	
		No. of Shares	*%*
Address			

and/or (delete as appropriate)

Name	*NRIC/Passport No.*	*Proportion of Shareholdings*	
		No. of Shares	*%*
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 28 April 2015 at 3 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	*Resolutions relating to:*	*For*	*Against*
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2014		
2	Payment of proposed final dividend (tax-exempt one-tier)		
3	Re-election of Ms Ko Lee Meng as a Director		
4	Re-appointment of Mr Wong Soon Yum as a Director		
5	Re-appointment of Mr Kau Jee Chu as a Director		
6	Approval of Directors' fees amounting to S$248,000		
7	Re-appointment of Messrs Ernst & Young LLP as Auditors		
8	Authority to issue shares		
9	Renewal of Share Purchase Mandate		
10	Authority to issue shares under the Aspial Share Award Scheme		
11	Authority to issue shares under the Aspial Corporation Limited Scrip Dividend Scheme		

Dated this ___________ day of ___________ 2015

Total number of Shares in:	*No. of Shares*
a. CDP Register	
b. Register of Members	

____

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

**Delete where inapplicable*

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 10 April 2015.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.